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Chocolate is healthy

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Drunk while pregnant

Section Two, cover story

THE INDEPENDENT

3,096

FRIDAY 20 SEPTEMBER 1996

WEATHER: Cloudy and cool

40p (IR 45p)

Grandeers are just dinosaurs, snarls Tory right

ANTHONY BEVINS
Political Editor

Tory Euro-sceptics yesterday snapped back against Sir Edward Heath and the authors of yesterday's *Independent* letter calling for Britain to show greater commitment to Europe, with the former Chancellor, Norman Lamont, dismissing them as "dinosaurs, not grandeers".

Mr Kenneth Clarke, Chancellor of the Exchequer, and Conservative Party chairman Brian Mawhinney, insisted that the door must – and would – remain open to British participation in a single currency. Labour leader Tony Blair said the Government was paralysed by the Tory warfare.

Mr Lamont said: "The reality is that Britain will not join a single currency under a Con-

servative government." As for the *Independent* letter-writers, he added: "They have lost the argument. They are dinosaurs, not grandeers."

Former Foreign Secretary Douglas Hurd said neither he nor the Cabinet would be bullied into submission on the single currency question.

But the confidence of Mr Lamont and other Thatcherite Euro-sceptics is being underlined by the reality on the ground – with the highly-organised Right working to ensure that another Conservative Government could not muster a majority for single currency in the next Parliament.

Sir George Gardiner and John Townsend, leaders of the Tory backbench 92 Group, are writing to all Tory parliamentary candidates asking them whether, in their personal election addresses, they would pledge themselves against single currency entry. If they got a majority, they say, "whatever equivocations were in our national manifesto, there would be no chance whatsoever that a Conservative Cabinet could ever recommend joining".

Mr Blair said in a speech in London last night that while distinguished Tories were trying to

halt the "mad rush" of the Tories out of Europe, the party lacked leadership and the Government was paralysed. "As long as the only aim is to balance one side against the other," he said, "Britain will have no influence in Europe."

Beyond the political debate, the work of the European Union grinds on. But the noise of Conservative conflict yesterday drowned out a charge from the Lords Committee – accusing ministers of deliberately over-riding democratic checks on Brussels legislation.

Delivering Lord Cranborne, Leader of the Lords, a list of 30 Brussels proposals that had been passed to Parliament so late as to make scrutiny "virtually impossible", committee chairman Lord Tordoff said the reality flew in the face of the Maastricht treaty declaration on parliamentary scrutiny. "The reality is that it is sometimes precluded by the late deposit of documents and the wish of ministers in the Council to agree to proposals without the opportunity for national parliaments to exercise their proper democratic function."

In one incandescent letter sent to James Clappison, a junior environment minister, in July – about a Council of Ministers decision that completely pre-empted the parliamentary scrutiny process – Lord Tordoff said the action was "unworthy", "unacceptable", "discourteous" and "made a nonsense of the whole scrutiny process".

But the day's political agenda was dominated by *The Independent* letter. Mr Hurd told BBC radio that pro-Europeans who until now had been afraid of "rocking the boat" would no longer stay silent.

The letter triggered a counter-barrage, however, from the sceptics, with John Redwood saying in another letter to *The Independent* that rigid EU policies were destroying jobs. Sir Teddy Taylor and other former "whippers" Tory backbenchers called for a referendum to ask the voters "whether they wish to continue with Euro-integration, to seek to abandon it, or to endeavour to secure a separate relationship with the EU."

Shadow Foreign Secretary Robin Cook said in a speech in Leeds last night: "A Government with an agenda of narrow nationalism will condemn its people to isolation in the world and lost opportunities in the global economy. Yet increasingly the Conservative Party speaks not with the voice of a great party that once understood Britain's place in the world, but with the whine of little England."

Mr Cook added: "Today's rebuke from the grand old men of the Tory party reveals the deep division within the Tory party over European policy."

Letters, page 17

This lady in distress, and a sympathetic judge, saved Kevin Maxwell yesterday



Determined woman: The 'obvious distress' of Pandora Maxwell, pictured at her home in Oxfordshire, as she described the 'agony' of her husband's trial, convinced Mr Justice Buckley to drop the second trial. Photograph: Peter Macdiarmid

JILL TREANOR
PATRICIA WYNN DAVIES,
and JOHN WILLCOCK

Pandora Maxwell, a resolute and determined woman who impressed a High Court judge with her account of living under the shadow of lengthy criminal trials, yesterday emerged as one of the chief reasons why charges against her husband Kevin were dropped.

She had told Mr Justice Buckley in private pre-trial hearings how her family had been affected by the scandal of the collapse of the £2bn Maxwell empire, the subsequent trial of her husband and threat of a second trial which was eventually lifted yesterday.

The judge said: "Mrs Maxwell's bewilderment and anger at the decision to proceed to another trial were not feigned. I cannot be over-influenced by such matters but no one could have been unmoved by her evidence."

He added: "Her obvious distress was, I am convinced, entirely genuine. She described the agony of the trial and the days waiting for the verdict with the prospect of significant prison sentence in the balance."

"I have reached a very clear view that these proceedings serve no further public interest. To pursue them in the face of the jury's unanimous verdict in the first trial would test both the public's confidence and the integrity of the system."

But the judge's decision to record not-guilty verdicts on Mr Maxwell and his fellow defendants leaves a large question over what caused the enormous hole in the Maxwell company pension funds after Robert Maxwell fell off his yacht in November 1991.

Kevin Maxwell, 37, a father of six, last night celebrated the end of criminal proceedings which followed the later collapse of the Maxwell media empire. Ian Maxwell, sitting beside his younger brother in a crowded court room, punched him with glee as the judge revealed his decision.

Kevin Maxwell said: "It is a

victory for common sense and humanity. My other reaction is immense relief that the jury's decision in the first trial – the acquittal of all the defendants – now counts for something. I'm very relieved to be going home an innocent man."

After a 131-day trial which ended in January, the two brothers and Larry Trachtenberg, a Maxwell executive, were found not guilty of defrauding pension funds. Days after that verdict, the SFO said it would proceed with different charges against Kevin. Mr Trachtenberg and two other former Maxwell executives, Albert Fuller and Michael Stoney,

The judge said the SFO had already tried Mr Maxwell on its strongest charges and that allowing a second trial would make it seem as if the jury was not trusted. The second trial, involving a fraud against banks, was not as important. The judge said that he had no doubt that

Inside

Exclusive interview with Kevin Maxwell. Pandora in the box. So who do we blame now? Serious fears for the Serious Fraud Office.

Page 3

the alleged misuse of pension funds had always been regarded as the most serious matter. "Broadly speaking, if any jury was going to convict in this case surely it would have been on the pension counts," he said.

The SFO was unrepentant about its decision to pursue the second trial, believing it would not have been in the public interest to let a £100m alleged bank fraud escape prosecution.

The Department of Trade and Industry said the scrapping of the trial cleared the way for inspectors to continue investigations into the flotation of Mirror Group Newspapers in 1991, "with a view to publication" of their report.

Runaway bishop has 15-year-old son

ANDREW BROWN
Religious Affairs Correspondent

The Scottish Catholic bishop who last week resigned after running off with a nurse he had been counselling has a 15-year-old son as a result of an earlier experiment in counselling, it emerged yesterday.

Joanna Whibley, 48, who lives in Polegate, Sussex, told BBC Radio Four's *Today* programme that her son Kevin, 15, had been fathered by the Right Rev Roderick Wright during an affair which started after the bishop, then a curate, had instructed her in the Catholic faith and helped her through the trauma of a divorce.

Speaking on the verge of tears, she said: "I made up my mind that I must unburden myself and put an end to Kevin's feeling that he shouldn't even exist. Although Kevin knows it's his dad and Roddy knows he's his dad, he has been an absent father."

The bishop, 56, disappeared last week with Kathleen MacPhee, 40, a mother of three he had been counselling during her divorce, and later issued a statement resigning and apologising for the distress he had caused.

This statement was one of the reasons Ms Whibley went pub-

lic. "Kevin feels his existence has been denied again. In Roddy's statement he apologised to his family. Perhaps he was referring obliquely to us, but I suspect he was referring to his other family. He apologised to the MacPhee family, but he didn't mention us."

Bishop Wright had panicked when he learnt she was pregnant, she said: "He offered no support... [He] said he couldn't acknowledge being a father and if I forced him to, he'd go to Peru and I wouldn't see him again."

Kevin Whibley, who was also interviewed, said he had never made any secret of the fact that his father was a high-ranking Catholic priest. But he was bitterly disappointed in him. "I haven't seen him for more than two months in my life," he said.

Kevin said he had turned his back on his father: "I feel angry at the loss of a father and it's too late now. I don't even want him if he comes, it is too late."

"I'm glad when people ask me, because people ask me at school. I am tired of being awkward about answering."

Father Tom Connolly, spokesman for the Catholic Church in Scotland, said that the discovery of Bishop Wright's

earlier transgression had played a large part in the decision to accept his resignation last week.

"I was devastated when I learnt," said Fr Connolly. "I felt that his resignation was sad and sorrowful enough. But to learn of this was quite something."

But Cardinal Basil Hume, leader of Catholics in England and Wales, said he had had "no prior knowledge whatsoever" on what has been disclosed about the bishop in the news this evening.

In a statement, he was said to be "shocked and saddened to learn of it. Clearly this does an enormous amount of damage to the credibility of the Church, the credibility of individual priests trying to conduct their pastoral affairs, and to their counselling."

The revelations echo the case four years ago of the Bishop of Galway, Dr Eamon Casey who also disappeared from his diocese when news broke that an affair had produced a child.

At that time Peter Murphy was a 17-year-old high school student in Connecticut, in the United States, where he was living with his mother, Annie, a divorcee. The bishop was eventually tracked down to Ecuador.

QUICKLY

Mad cow 'revenge'
BSE could come to be seen as nature's revenge for mankind violating her laws, and new technologies of genetic engineering were an offence against God, the Prince of Wales told organic farmers last night. Page 2

Postal strikes off
Postal union leaders last night bowed to pressure from the Labour Party leadership and called off strikes scheduled for today and next Monday. They also ordered a fresh ballot of their members. Page 2

New canal planned
A plan to link the Irish Sea and the North Sea with a £6bn ship canal close to the route of Hadrian's Wall, to be called the Western Water Highway was unveiled yesterday. Page 5

Mapplethorpe backed
The opening of the controversial Robert Mapplethorpe photography exhibition at the South Bank in London, yesterday, was free from censors and attended by an approving public. Page 7

Chain gang blues
America's first female chain gang went out weeding near their jail in Phoenix, Arizona, yesterday. Page 11

Submarine mystery
Mystery surrounded the background to an incident in which 12 North Koreans from a submarine that ran into trouble in South Korean waters died in an apparent suicide pact and six others were killed. Page 13



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news

New ballot
as post
union calls
off strikeBARRIE CLEMENT
Labour Editor

Postal union leaders last night bowed to pressure from the Labour Party leadership and called off strikes scheduled for today and next Monday and ordered a fresh ballot of their members.

The executive of the Communication Workers' Union, however, decided to recommend a Yes vote in a strike ballot, rather than a referendum on the Royal Mail's peace formula with strong advice to accept it.

Labour leaders nevertheless welcomed what they thought was a "sensible decision". An aide to Tony Blair said: "We are obviously delighted that the executive has agreed to ballot."

An internal memorandum from David Blunkett, Labour's Education and Employment spokesman, circulating among Shadow Cabinet ministers yesterday confirms the party's plans to introduce a mechanism for rebalancing strikers on "substantial" fresh offers during industrial disputes.

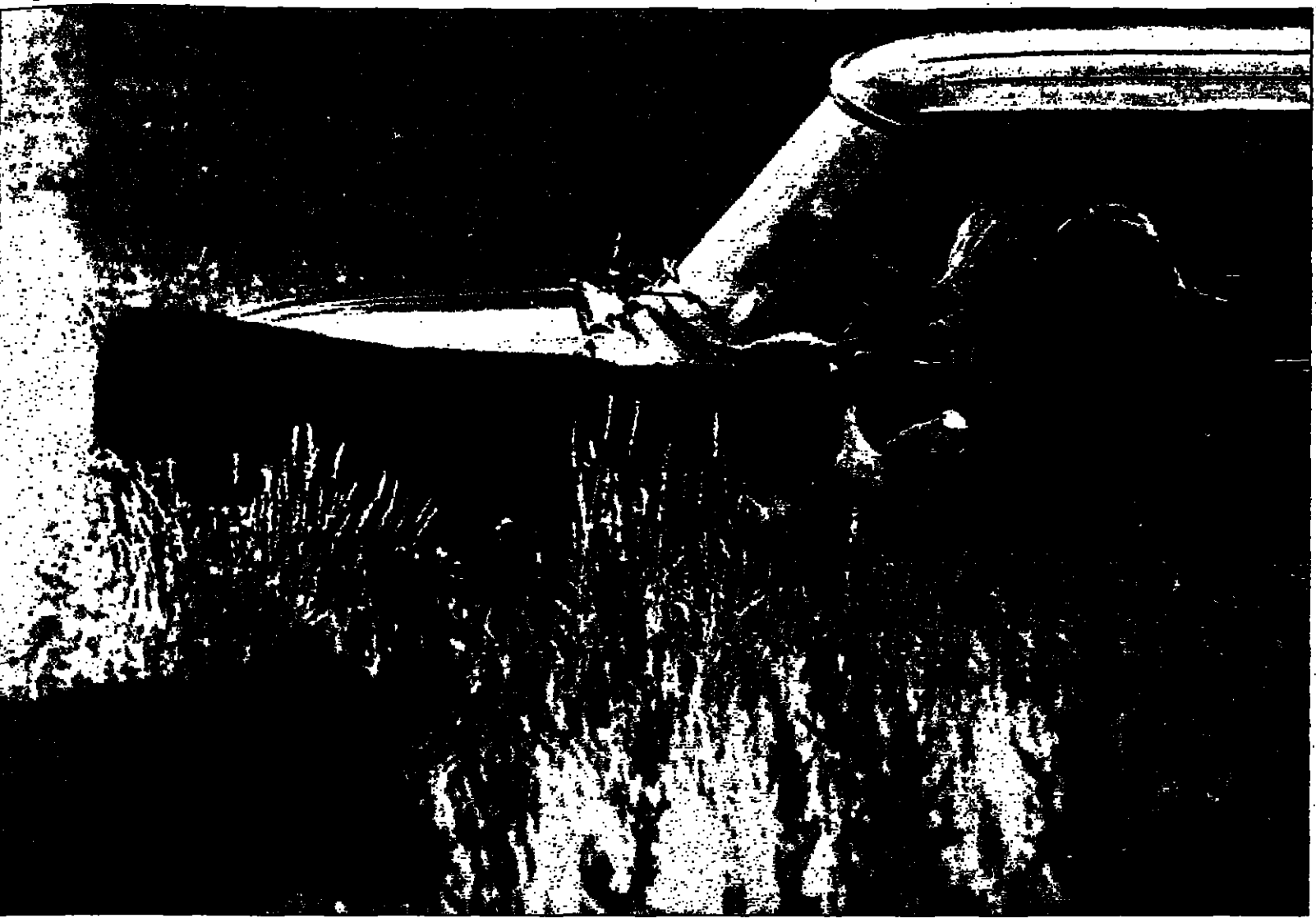
It is now likely that ministers will withdraw their threat of a three month suspension of the Royal Mail's letters monopoly.

Alan Johnson, joint general secretary of the union, who has strong private misgivings about more disruption, said the CWU leadership would campaign for more strikes.

He denied that pressure from the leader of the Labour Party had brought a climbdown by the executive. Even if the 130,000 members rejected further action it did not mean they accepted the offer and the union would call for further negotiations, Mr Johnson said.

The Royal Mail has offered to set up a joint working party under the chairmanship of Aislinn, the conciliation service, to investigate management productivity plans.

The result of the ballot, which will cost the union £80,000, will not be known until next month.

BSE is an offence against
God, says Prince Charles

Royal inspection: Prince Charles greeting cattle in Worcestershire. He has farmed his own estate organically for 11 years. Photograph: Rex Features

NICHOLAS SCHOON
Environment Correspondent

Bovine spongiform encephalopathy (BSE) could come to be seen as nature's revenge for mankind violating her laws, the Prince of Wales told organic farmers last night.

And the new technologies of genetic engineering were an offence against God – except when used in some medical applications – the Prince said in his most blunt and challenging

speech to date on the perils of modern agriculture.

He condemned the cruelty of factory farming and suggested that people's health and fertility could be harmed by eating crops grown with heavy fertiliser and pesticide use.

"If the way in which people farm is grasping, looks only to the short term and is indifferent to the effects of what is being done on the generations that will follow, then that is what their society will be like too," he said in a lecture to the Soil Association in London.

Prince Charles, who has farmed organically on his Highgrove estate in Gloucestershire for 11 years, advocated fundamental reform of the European Union's Common Agricultural Policy so farmers everywhere would be eligible for government grants in return for com-

mitting all their land to environment-friendly farming and high animal-welfare standards. Feeding cattle with protein derived from cattle or other farm animals, which almost certainly caused the BSE outbreak, was "totally inappropriate... perhaps BSE will come to be seen as one example... of how nature hits back when we violate her laws".

As for genetic engineering, "I believe we have now reached a moral and ethical watershed beyond which we venture into realms that belong to God, and to God alone," he said. "Apart from certain medical applications, what actual right do we have to experiment, Frankensteins-like, with the very stuff of life? We live in an age of rights. It seems to me that it is about time our Creator had some rights too."

Much of his speech castigated 50 years of industrialised farming, dwelling on the heavy damage done to landscapes and wildlife and the "hidden costs" of agricultural air, soil and water pollution, but giving equal weight to animal welfare.

"Dairy cows... are now quite literally milking themselves to death by the time they are six or seven, worn out by producing their own body weight in milk every month and suffering from a lethal combination of distended udders, lameness, chronic mastitis or infertility..."

"There is also the terrible irony of the dramatic increase in intensively produced pork and chicken, almost all of which is produced under conditions which cause infinitely more suffering than the beef or lamb it replaces, in the search for 'healthy' meat."

Prince Charles cited a recent report which said that some intensively farmed food crops in developing Asian countries were deficient in crucial trace elements and minerals such as iron and zinc. Some children whose diet was dominated by such crops showed an IQ loss of 10 points, he said.

"There is already a well-documented and, as yet, unexplained decline in male fertility in many European countries which some people believe may be linked to diet. And other research has suggested a significant decline in the trace mineral content of our fruit and vegetables over the last 50 years."

The Ministry of Agriculture gave Britain's small number of organic farmers the lowest incentives in Europe, he said. Leading article, page 17 Suzanne Moore, page 19

Labour calls for a block on
women's witness box ordealsJASON BENNETTO
Crime Correspondent

Judges should be given the power to ban suspected sex attackers and stalkers from cross-examining their alleged victims in court, Labour will suggest today.

The call for a review of the system follows two recent cases in which women – one of whom was raped, the other stalked – were questioned by their tormentors about the intimate details of their ordeals. In one of the trials a convicted rapist exercised his legal right to represent himself and cross-examined his victim for six days.

Janet Anderson, shadow Minister for Women, said yesterday that cases like this caused "appalling distress". She has written to Michael Howard, the Home Secretary, asking him to review urgently the law and consider "providing the trial judge with a power, in appropriate, serious cases, to require defendants to accept that they will be defended by counsel".

Ms Anderson said yesterday: "Defendants have a right to opt

How to beat a stalker: have him stalked



Women's groups and Victim Support share worries over law

to represent themselves, but that does not give them the right to abuse that privilege in the cause of intimidating witnesses.

"Given the appalling distress caused to women victims in such cases, and the fact that their well publicised experiences might dissuade some victims from agreeing to give evidence in future, I have called on the Home Secretary, Ms Anderson, to highlight the two recent cases that caused public outrage about the legal procedure."

In a case last month Julia Mason had to endure six days of questioning by Ralston Edwards about the details of her rape. Edwards was later convicted of the attack.

Victim Support, the group that helps people who have suffered from crime, has also called for legislation reforms.

A Home Office spokeswoman said that they were "actively" looking at the issue.

In her letter to the Home Secretary, Ms Anderson highlights the two recent cases that caused public outrage about the legal procedure.

In a case last month Julia Mason had to endure six days of questioning by Ralston Edwards about the details of her rape. Edwards was later convicted of the attack.

Ms Mason said afterwards that Edwards was "reliving the rape moment by moment" when he cross-examined her. "At least when a barrister is asking the questions he is doing it to get to the truth. When a rapist is asking the questions he knows what he has done and is furthering the act."

"I feel like I have been raped twice," she added.

In the second case a woman wept after the man she accused of stalking her for four years walked free from court on Tuesday.

Margaret Bent said during a week-long trial that Dennis Chambers had continually pestered her and threatened her with a knife.

Mr Chambers, who has twice been convicted for affray in relation to Ms Bent, defended himself. During the trial he stood within inches of Ms Bent and cross-examined her for 30 minutes. The jury decided that Mr Chambers had not caused Ms Bent serious psychological harm and he was found not guilty of affray and causing grievous bodily harm with intent.

Rest of Europe united in push for EMU

European finance ministers, meeting today in Dublin, will brush aside Britain's latest warnings on the single currency, producing the firmest evidence yet of their determination to proceed in 1999.

The 15 ministers are expected to agree a series of far-reaching plans for how the nuts and bolts of European Monetary Union will work. The finance ministers intend to finalise key elements of a "stability pact", under which countries which join the single currency would be fined should their economies veer out of line after the launch.

The ministers will also move closer towards agreeing the shape of an exchange rate mechanism for countries who

remain outside the Euro-zone in the first phase.

As the Dublin meeting intensifies preparations for EMU, both the Government and the Labour Party will come under increasing pressure to declare whether Britain will join the single currency. On Wednesday, Malcolm Rifkind, the Foreign Secretary, stoked up the British single currency debate by reviving the Government's warning that the single currency will cause divisions in Europe.

However, France and Germany have both re-stated that there can be no back-sliding on the EMU timetable, and there

are growing signs that the Maastricht criteria on qualifying for EMU could be flexibly interpreted to allow as many countries as possible to join. Several countries which appear unlikely to qualify for the launch, such as Spain and Belgium, have expressed determination to bring their economies into line.

A positive mood in Dublin will be significantly reinforced by predictions that France will pass the economic qualifying test for EMU, albeit with some debt interpretation of the rules. Without France the entire project would be threatened. However, in a crucial devel-

opment, the European Commission signalled this week that it may be prepared to accept a new French attempt to ease its public deficit in 1997. The move involves a one-off payment of 37.5 billion French francs (or 0.5 per cent of its GDP) from France Telecom to the central government, as part of a privatisation process.

The proposal, which must be approved by Brussels, is viewed in some quarters as a blatant attempt to massage the deficit figures. Without this exceptional diversion of funds, France would have difficulty bringing its deficit figure below the mag-

ic 3 per cent of GDP. A senior Commission official said that the France Telecom payment would be "purely technical" and there would be "no question" of bending the rules.

The Dublin talks will centre on agreeing an outline stability pact, which ministers will present as a significant step forward for the single currency. The idea of such a pact was first proposed by Germany as a means of ensuring that countries who join EMU, in the first wave, continue to obey strict economic criteria. Such a pact was deemed necessary in Bonn, in order to ease public fears that the new

Euro currency could be weaker than the mark.

Under the plan, countries inside the Euro would have to agree to hand over certain controls relating to tax levels and public spending to the European council of ministers. Any country which allows its budget deficit to rise above 3 per cent would have to present plans for "correcting" the problem. Should the deficit not be reduced within nine to 12 months the country would face a sliding scale of automatic fines.

The pact is certain to be viewed among British sceptics as further proof that Brussels plans to dictate fiscal policy, and that British sovereignty will be impaired if it joins EMU.

significant shorts

Schools
alert after
scare over
gunman

Security guards are to be drafted into a primary school today after a man claiming to have a gun tried to force his way on to the premises. Extra police officers have also been called into the northern district of Glasgow as concerns about school security were again highlighted.

In yesterday's incident a canteen manager stopped a man from entering through the kitchen of Chirnside Primary School in the Milton district. As the stranger tried to push his way past at about 8am he said he had a gun, although he did not have one visible. The woman managed to push him away and lock the kitchen door.

The woman said: "I said I was sorry but he was in the wrong place. I put him outside the door, then he said 'look, I've got an effing shotgun'. He proceeded with his hand to go into his jacket. I couldn't really make out if it was a shotgun or not. There was something, but I cannot say what it was."

Fish-eaters
'healthier than
vegetarians'

Fish-eaters may be healthier than vegetarians according to a new study, which provides further evidence of the benefits of a fish-rich diet.

A comparison of a lake-side community in Tanzania, whose inhabitants ate three to four meals of fish daily, with a farming community 50 miles away whose diet was primarily vegetarian, reveals clear differences in health indicators.

Italian scientists reporting in *The Lancet* say that the fish-eating villagers had significantly lower mean blood pressures than the vegetarians – just under 3 per cent had high-blood pressure compared with more than 16 per cent of the vegetarians. The blood cholesterol levels of the fish eaters also tended to be lower. *Liz Hunt*

Cost of
premium line
calls to soar

BT is putting up the price of some premium line calls by as much as 41 per cent in some cases.

The cost of calling 0891 prefixed numbers will increase by 15 per cent from 39p to 45p in the evenings and at weekends. From 8am to 6pm on weekdays the rate will go up 2 per cent from 49p to 50p a minute. The new rates will be charged on information lines from 8 October, said a BT spokesman. Charges for Mercury premium lines are also going up.

Train strike
threat lifted

All rail strikes planned for the weekend have been called off. The RMT transport union yesterday suspended two 24 hour stoppages due today and Monday on InterCity West Coast and another strike at Scot Rail scheduled for Monday. *Barrie Clement*

Buyer found
for Britain's
redundant
submarines

South Africa is expected to buy four British submarines which have become surplus because of defence cuts for the bargain price of £300m.

If the deal goes ahead it will be South Africa's biggest weapons purchase since the end of apartheid. The four Upholder class boats are the most advanced conventionally powered submarines in the world but have been lying idle since they were scrapped after Britain moved to an all-nuclear submarine fleet.

The diesel-electric submarines were built by Vickers at Barrow-in-Furness at a cost of about £1 bn in the early 1990s but only saw brief service with the Royal Navy. The MoD had hoped to sell them to Canada but they have been laid up in Barrow awaiting sale. *Christopher Bellamy*

'Neighbours'
on the Net
in new BBC
venture

Fans of BBC soaps such as *EastEnders* and *Neighbours* could receive regular news updates on their favourite stars via the Internet.

BBC Worldwide, the commercial arm of the corporation, announced that it was linking up with computer giant ICL to develop a commercial Internet service which may promote mass acceptance of the global computer network.

The venture, provisionally called BBC Online, is ex-



Bahara Windsor: From soap to electronic EastEnders

pected to be launched next spring, and will be built around popular radio and television programmes, covering news, sport, and entertainment. The service will be continuously updated and viewers will be able to customise it to their own tastes.

Bob Phillips, BBC deputy director-general, said: "The BBC brand stands for the best creativity and content around the world and we aim to remain the touchstone of quality in the new global multimedia environment. This... is an important part in the transformation of the BBC from a bi-media to a multimedia organisation."

Correction

In a list of salaries of union general secretaries on 18 September, we wrongly stated that the salary of Rodney Bickerstaffe of Unison was £71,000. That sum applied to his predecessor and Mr Bickerstaffe is paid £57,000. We apologise for the error.

THE INDEPENDENT ABROAD

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In an exclusive interview with 'The Independent', Tycoon's son tells of battle to clear his name

For five years I lived in fear of prison

CHRIS BLACKHURST

There was not a day in virtually the whole of the last five years, said Kevin Maxwell yesterday afternoon, that he did not think about the threat of going to prison.

In an exclusive interview with *The Independent* hours after a judge ruled that it would not be fair for him to face a second trial for fraud Mr Maxwell described the intense pressure his wife and family had been under. Sitting in the Mayfair offices of Westbourne Communications and Maximov Publications and surrounded by balloons inscribed with congratulations, his relief was obvious.

He said he had "read up on the prison rules and the children had this *Tomb of Toad Hall* idea of me sitting in a dank dungeon with weeping walls. We told them, 'Daddy might not be around. We didn't hide it from them,' he said.

Mr Maxwell said that unless someone had been through the same process and had been on the receiving end of criminal proceedings it was impossible for them to imagine the threat of loss of liberty, the sense of loss of freedom. "It was with me every single day for nearly five years."

His mood visibly fluctuating between joy and anger, Mr Maxwell turned on his accusers, the Serious Fraud Office. The SFO, he said, was "frustrated with the desire to secure a conviction".

If there was a fault in a system that had seen his case and that of his co-accused take years and absorb some £30m of taxpayers' money, it lay with the SFO. Not only was it an investigator, he said, but it was a prosecutor as well.

From the outset since his original arrest in the glare of TV

lights, the Fraud Office had been determined to "clean up the City, to use terror and every weapon at its disposal." Mr Maxwell went on: "If you look at the SFO's annual report how do they measure themselves? We live in the age of the Chartermark, where hospitals and schools publish league tables. But what is their measure? It is solely their conviction rate. They have a dual role as the ex-

The US system has not collapsed because people there have conducted research into juries. It is absurd that here we are at the end of the 20th century and we know little about juries, about what they comprehend and how they operate."

Before people rush to demand change, he said, they should think carefully about the alternatives. He claimed it was crazy for them to call for the replacement of a jury by an independent City expert. "It simply would not work where there is such a small clique of lawyers, accountants, actuaries and bankers in the City the conflicts of interest this would present would be huge."

He said people "should not slander the jury but do some research into whether they comprehend the case in front of them." Paying tribute to the five jurors from his first trial who attended his abuse process application, Mr Maxwell said: "They were frustrated that all their work, all their deliberation, have come to nothing."

If his father, Robert, had still been alive and the £400m "black hole" in the pension fund had been discovered, said his son, "Of course there would have been a trial. But he would have had a defence."

If Robert had not died - his son maintains to this day his death in 1991 was an accident, not suicide - Kevin said the circumstances would have been very different. There would not have been as much negative publicity. Instead, his father became "demonised, he was turned into a mythical figure like Bad King Richard or King John."

Mr Maxwell said it was too early to talk about his future plans. "I can say to my children I will be coming home, I will be around, which is marvellous."

The legal cost

Estimated global sum alleged to have been involved: £2bn

Estimated global cost of criminal proceedings: £20-30m

Cost of legal aid for a total of six defendants up to 30 June this year: £8,429,000

Average administration cost of Crown Court jury trial: £2,100 for each of the 131 days

cutive arm of investigations and as a prosecutor. It is not the prosecutor's role to secure convictions. It is his job to present the case to the jury and that is all."

In a strident defence of the jury system, Mr Maxwell attacked those who claimed his acquittal at the first trial was proof the centuries old institution did not work in major fraud cases. In a veiled reference to the Attorney General, Sir Nicholas Lyell, who said after his acquittal the jury system in fraud cases might need reviewing, Mr Maxwell replied: "I don't understand why this debate is allowed to continue in the absence of proper research."



Winning in the rain: Kevin Maxwell leaving court yesterday after a judge agreed that the charges against him should be dropped
Photograph: Peter Macdiarmid

If not Kevin, then who takes the rap?

If not Kevin Maxwell, his brother Ian, Larry Trachtenberg, Albert Fuller, or Michael Stoney, then who? The Serious Fraud Office's failure to hold anyone criminally liable for Britain's biggest and most dramatic post-war financial scandal is an appalling indictment not only of the SFO itself, but of the legal system more generally.

Let's not beat about the bush. We all know that a massive fraud took place. To most people, fraud is still a crime, albeit a middle-class and a complex one. Yet in the eyes of the law we can now hold but one man responsible, and he is lying six feet under.

All the hundreds of lawyers, bankers, accountants and investigators who have been poring over the late tycoon's great nemesis might find that a perfectly understandable and satisfactory state of affairs. But most of us are left quite gobsmacked by the spectacle.

If this were a £400m bank job (£400m is what Robert Maxwell stole from his pension funds), the mob would be at Westminster bay for blood. It is not an acceptable state of affairs that not a single person is going to serve time for this massive theft.

True, this is not the end of the matter. A great raft of regulatory action now swings into action against those caught up in the affair - directors, accountants, bankers, advisers and the like. But this is akin to the sort of disciplinary proceedings taken against the night watchman who is shown to have been asleep on the job as the gang sped away with the loot, or the security guard who had failed to lock the outer doors. It is to do with negligence and recklessness, not culpability.

We know a great crime took place, we know in detail who was involved and how, and yet nobody is guilty of it. Well there's a thing.

To be fair on the SFO, it was always going to be difficult to pin this extraordinary episode on anyone but the old man himself.

So all powerful and domineering was he in life that it was easy for all who surrounded him to resort to the defence of the Nuremberg trials - "I was only obeying orders". This was particularly the case with his sons, Kevin and Ian. Others at least had the opportunity to turn their backs on Robert Maxwell, and refuse to deal with him; but Ian and Kevin were family.

The other excuse for the prosecuted individuals is the one that is often used in ordinary, blue-collar crime - that the system was primarily to blame.

At the time there were no adequate safeguards to stop abuse of this type. And while no doubt most of the lawyers, auditors, bankers and other City professionals who worked within the Maxwell umbrella would have blown the whistle had they recognised the extent of what was going on, there was a certain sloppiness of attitude, a tolerance of bad and abusive practice that encouraged those most intimately caught up in the affair to think it acceptable.

Perhaps most damning of all, the City knew Maxwell to be rotten to the core because of his previous record of semi-fraudulent behaviour. Despite this, fee-hungry bankers and advisers conspired to rehabilitate him and lend their good name to his expansionist ambitions.

All this helps to explain and mitigate what happened; it does not excuse it. Fraud on this scale is not a matter which can be left to ordinary civil regulators, for that would support the contention that there is one law for the rich and another for the poor. The system has failed us.

JEREMY WARNER

Fighter who stood by her man and stood up to his father

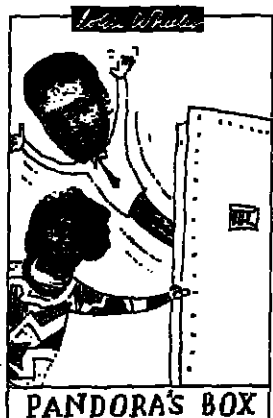
JOJO MOYES

In a curious echo of Judge Caulfield's description of the "fragrant" Mary Archer, Mr Justice Buckley said yesterday of Kevin Maxwell's wife, Pandora: "I cannot be over-influenced by such matters, but no one could have been unmoved by her evidence. . . Her obvious distress was, I am convinced, entirely genuine."

"Obvious distress" - or indeed fragrant - are not words often applied to the former Pandora Warnford Davis, 37, daughter of a manufacturer of car number plates and snooker balls.

Throughout the Maxwell trial she displayed a fortitude, fierce protectiveness and indeed boldness not normally associated with "stand-by-your-man" trophy wives.

But these are not new character traits. The formidable mother of six was one of the few people willing to stand up to the late Robert Maxwell. The brass plate next to the Maxwells' front door which reads "Never



mind the dog, beware of the owner" is said to refer to her, and not to her husband.

Her commitment to domestic privacy was most famously demonstrated in 1992 when police officers called at the Maxwells' house in Chelsea, west London, to effect a dawn arrest of her husband.

Thinking the callers were reporters, she yelled: "Fiss off, we don't get up for an hour." Had she known it was the police, she

said afterwards, her language would have been spicier.

She married Kevin, scion of the multi-millionaire Maxwell family in 1984. She was not the "princess" the autocratic Robert Maxwell had in mind for his heir, but by strength of character ignored Maxwell père's attempts to end their courtship and then defied his attempts to interfere in her family life.

She has no interest in cosmetics, and happily admits to wearing old corduroys, and having her hair cut by the local hairdresser. During the first trial, she described how Kevin had asked her to "look halfway decent" for the media. "Do you mean I've got to put on make-up for the second time this year?" she replied.

In her evidence to the judge she said, "The house was besieged pretty much from the time of Kevin's father's death. . . we had journalists and photographers camped outside our house."

"We were pursued on stupid things, like I took the children to the theatre at Christmas and

we had people jumping on buses trying to follow us. The children were worried because they didn't like this. They were followed to school."

After the early-morning arrest of their father in June 1992, the children "knew he had been taken away to a police station somewhere. I suppose even then they thought he was going to go to prison, Mrs Maxwell said.

"They didn't know what had happened. Was he going to be coming home? That's what they've always wanted to know, and that's what they've wanted to know for the last five years: 'Is Daddy coming home?' It was my job to keep the children on an even keel so that they could face the future. . .

"The children at school occasionally did make remarks, you know, 'Your dad's in court. Your dad's going to go to prison. My dad says he's going to go to prison for years and years', and they would come home and ask me and I would have to explain to them that it was a possible outcome."

New question over future of the Serious Fraud Office

PATRICIA WYNN DAVIES and JILL TREANOR

The Maxwell ruling could have serious and far-reaching implications for the future of the Serious Fraud Office and the conduct of fraud trials. It might also hasten the end of jury trials in complex cases and usher in a new system of judges sitting with expert assessors.

The explosion of complex fraud trials that began in the mid-Eighties, prompting the creation of the Serious Fraud Office in 1988, brought with it a stream of complaints that exhausted jurors found the proceedings too lengthy and too complicated to follow.

The piling down of the number of charges, and split indictments necessitating two or more trials - decisions that could be reached with the aid of outside counsel or on the

instructions of the judge - was the way of tackling the problem.

If subsequent trials are to be viewed as an abuse of process, that raises serious questions about how large-scale alleged frauds can be properly tried under the present jury trial system.

Those who oppose the retention of juries in fraud cases are bound to argue that a system involving specialist judges and assessors would be able to handle a large case in one go. After the first trial in January, Sir Nicholas Lyell, the Attorney General, announced that the Government was looking at the use of juries in fraud cases - a move that Keith Oliver, Kevin Maxwell's solicitor, claimed yesterday implicitly called the verdict into question.

A Lord Chancellor's Department spokesman said: "The Government keeps the handling of long and complex fraud

trials under close review in the light of changing circumstances. The review of the role of the jury is one of the important issues which arises in this context."

George Staple, the SFO's director, said in a statement yesterday that the outstanding charges in the Maxwell affair related to "completely separate transactions to those examined at the first trial involving two charges. He also took the view that the evidence relating to the remaining counts was not in any way weakened by the acquittals at the end of the first trial.

In the Maxwell case there were 10 counts in total of alleged fraud against pension funds, banks and public companies which the prosecution wanted to be tried. But Mr Justice Phillips, the judge at the first trial who has since been promoted to the Court of Appeal, felt that more than two charges

would overwhelm the jury.

Mr Staple said that public confidence in the administration of justice "required that the full extent of the alleged fraud be brought before the court for adjudication."

"This case vividly illustrates the difficulties of large fraud cases," he said. "The case was split to make it manageable for a jury but very serious charges will not now be heard."

The SFO has twice before launched a second prosecution against an acquitted defendant, failing in one and succeeding in the other.

There was concern at the SFO's headquarters. Mr Justice Buckley's ruling sent "an almost impossible message about large investigations," a source said. Some at the SFO admit that stopping the second trial will prevent it from suffering a further high-profile humiliation.

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Rail firms block creative journeys

CHRISTIAN WOLMAR
Transport Correspondent

Thousands of rail passengers will be charged extra or face changing their routes under new rules to be approved by the Rail Regulator, John Swift, at the end of this month.

Rail user groups are furious that Mr Swift appears to have broken a commitment to protect their interests and sided with the train operators.

The Association of Train Operators (Atoc) has drawn up a routing guide for the industry's new private operators which defines what is an acceptable way to travel between two points on the rail network. Inevitably, the complex task of defining which journeys between Britain's 2,500 stations are permitted and which are not has led to anomalies. These will affect the regular routes used by thousands of travellers, who will face penalty fares or excess charges.

Atoc has sent the guide - which a rail insider who had seen it said was originally "so large you needed a wheelbarrow to carry it" - to Mr Swift for approval and it is due to be enforced from 30 September.

The new operators do not want travellers to exploit loopholes which may allow them to

make longer journeys on the same ticket, or use tickets - which are sometimes cheaper though the journey is longer - to get off at intermediate stations. Mr Swift had promised in his annual report that he would not endorse a guide which restricted existing commonly used routes. However, draft copies of the guide suggest that many commonly used routes have not been included.

Phil Wilkes, spokesman for the Central Rail Users' Consultative Committee said: "There have been countless drafts of this guide and we are concerned that there may still be anomalies which restrict people's travel patterns."

Barry Doe, a timetable expert, said: "Mr Swift appears to have broken his promise not to restrict routes currently used by many people."

A spokeswoman for Mr Swift's office said: "If [people] send in a complaint about a route which the operator feels ought to be allowed, then they will be entitled to a refund if subsequently the route is allowed." However, Keith Bill, of Save our Railways, which is planning legal action if the guide is not improved, said: "This is sheer lunacy and people will not do it as they won't understand it."

How passengers beat the system

The Reading trick: Travellers from the West and South-West will not be able to change at Reading to go to London Waterloo instead of London Paddington. This is likely to affect thousands of people in November when the Tube's Bakerloo line is closed for refurbishment.

The Swansea diversion: Passengers from Swansea to Norwich will be forced to go on the infrequent central Wales line to Shrewsbury and change for Birmingham and Norwich, rather than going on the more frequent Swansea to Cardiff trains and changing there for Birmingham and Norwich.

The York dog-leg: The route from York to London Euston via Manchester, used by people visiting the North West on the return leg, is scrapped.

Many travellers arriving at Waterloo will no longer be able to cross to Waterloo East for a free transfer to Charing Cross.



Festive food: Chocolate Santa Clauses being made at Chocoholics in Selfridges yesterday

Photograph: Emma Boam

And now for the really good news: eating chocolate is healthy for you

LIZ HUNT
Health Editor

Barely a year after acknowledging the health benefits of alcohol, health ministers face a new dilemma: the rehabilitation of chocolate, a dietary taboo for millions.

Two years ago, the Government was ridiculed for its healthy eating advice which stipulated no more than three-quarters of a small bar of chocolate per person per week.

Now scientists from California claim that the fat-laden, sugar-rich, caffeine concoction with its addictive feel-good properties and legendary aphrodisiac powers, is a powerful protector against heart disease.

Not only should we eat more of it, they say, but to extract the maximum benefit for our arteries, we should drink a sip of red wine with each Fresh Coffee Creme or Hazelnut Truffle that passes our lips.

Like red wine, chocolate con-

tains chemicals known as phenols, which prevent the oxidation of low-density lipoproteins ("good" blood fats) into a more dangerous form which clogs up the coronary arteries.

Dr Andrew Waterhouse and colleagues in the Department of Viticulture and Enology at the University of California in Davis, tested a range of confectionary products and found that one piece of milk chocolate had almost the same amount of phenol as a glass of red wine.

Plain, dark chocolate contained even more phenol than the milk variety, according to their report in tomorrow's issue of *The Lancet*.

There is well-documented evidence on the protective effects of red wine against heart disease linked with its high concentration of phenolic flavonoids.

Further research has suggested that it is the alcohol content which primarily influences the blood fats rather than chem-

icals present in a particular type of wine.

This lead to the Government's controversial decision to relax its sensible drinking limits late last year.

Dr Waterhouse urges more research into chocolate to demonstrate that its anti-oxidant properties work in people. But he is hopeful that the "pleasant pairing of red wine and dark chocolate could have synergistic advantages beyond their complementary tastes."

C5 takes on 1,500 to tune videos

Channel 5 is recruiting another 1,500 video re-tuners before it goes on air early next year. It means Britain's final terrestrial channel will offer up to 8,500 people jobs in the run-up to its launch in February 1997.

The move follows the Government's decision to award the channel 35 frequency to the new station, which had initially planned to employ about 7,000 re-tuners.

Channel 5's coverage has been extended by an estimated 1.8 million homes or about 4 million people. It sets up a mini jobs bonanza. Re-tuners are paid £4.50 an hour but can earn lucrative bonuses if they exceed targets.

Channel 5 will also use the UHF channel 37 frequency in key areas of the country. Frequency 37 reaches an estimated 74 per cent of the population.

A Channel 5 spokeswoman said: "It is good news for local economies and the public are being very co-operative. We're recruiting hundreds of re-tuners every day."

"Channel 35 is great news because it means four million more people will be able to receive us. The extra work means we will be postponing our launch for a few weeks. No new launch date will be agreed until we meet the Independent Television Commission."

"We want to make sure that the extra re-tuning is done at the same time as the original plan to avoid confusing the public and to ensure it is done as swiftly and effectively as possible."

Although 11.4 million videos will need to be checked not all of them will need to be re-tuned. The company could spend up to £120m re-tuning them.

Channel 5 is determined to put an optimistic face on the delay saying that the extra frequency will allow it to boost its advertising revenue.

The company had expected to take £120m from rival broadcasters in its first year. The two month delay anticipated for the extra re-tuning work reduced this projection by some £20m. But a spokesman for the channel said it was working to a new estimated revenue of around £112m.

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One million women risk an unplanned baby

LIZ HUNT
Health Editor

Almost one million sexually active women between 16-44 are risking an unplanned pregnancy because they do not use any form of birth control, according to a three-year national survey of contraceptive practices.

The Health Education Authority and the Family Planning Association said yesterday they were "very concerned" at the NOP findings, which come as many local family planning initiatives are under pressure because of financial cut-backs.

Avon Health Authority, for example, is trying to save £150,000 by imposing a cut-off age of 21 at family planning clinics. Women older than this will be referred to their GPs for advice, according to Ruth Grigg of the FPA. "But this is just the age group which needs advice

most," she said. "More women in their twenties are having unplanned pregnancies and abortions than teenagers."

Young women also appeared to be ignorant about the comparative dangers of pregnancy and being on the Pill, the survey found. When asked: "What carries the greater risk of death, having a baby or being on the pill?", 20 per cent of teenagers wrongly thought having a baby was less dangerous.

Another surprising finding was an increase of 6 per cent in the number of women who were not sexually active, up from 32 per cent to 38 per cent. There is some anecdotal evidence that more are remaining celibate for

long periods in between partners, although the survey produced no evidence of this. One-quarter of the 1,000 women from 16 to 44 who took part in the survey, the fifth in a series funded by the Pill manufacturer Schering Health Care, said they did not use any form of birth control. Of these, 32 per cent were sexually active but were not trying to get pregnant. Extrapolated nationally, this represents more than 850,000 women facing a potential unexpected pregnancy. Within this group, 22 per cent were 16-19, representing almost 150,000 young women nationally. The Pill remains the top choice of contraceptive for

women in Britain. About one-third of those who used contraception favoured the Pill - around 4 million nationally. The number had dropped by 1 per cent since 1993. Condoms were the second most popular choice, with 22 per cent, while use of the intra-uterine device and cap remained static or in slight decline, at 4 per cent for the IUD and 1 per cent for the cap. The survey revealed a reluctance among women to try new methods of contraception. Figures of 1 per cent and less were recorded for the female condom, the hormonal implant and the sponge. Natural forms - the rhythm method and withdrawal - were relied on by 3 per cent.

Carole Graham, a spokeswoman for Schering, told a conference in London yesterday that there was no obvious reason for the increase in the number of women not using contraception when they had sex. "I don't think anybody has the whole answer to why this has happened... There's still a great 'it won't happen to me' syndrome. Or people rely on the emergency morning-after pill, and so on."

WOMEN'S CONTRACEPTIVE USE			
Pill	32%	Women not using any form of birth control	25%
Condom (IUD)	22%	Of these:	
Cap	4%	Sexually active women not trying to get pregnant	32%
Female condom	1%	Not sexually active	38%
Hormonal implant	1%	Trying for baby/pregnant	25%
Contraceptive sponge	1%	Infertile	4%
Rhythm method/withdrawal	4%		

New canal to follow Hadrian to the sea

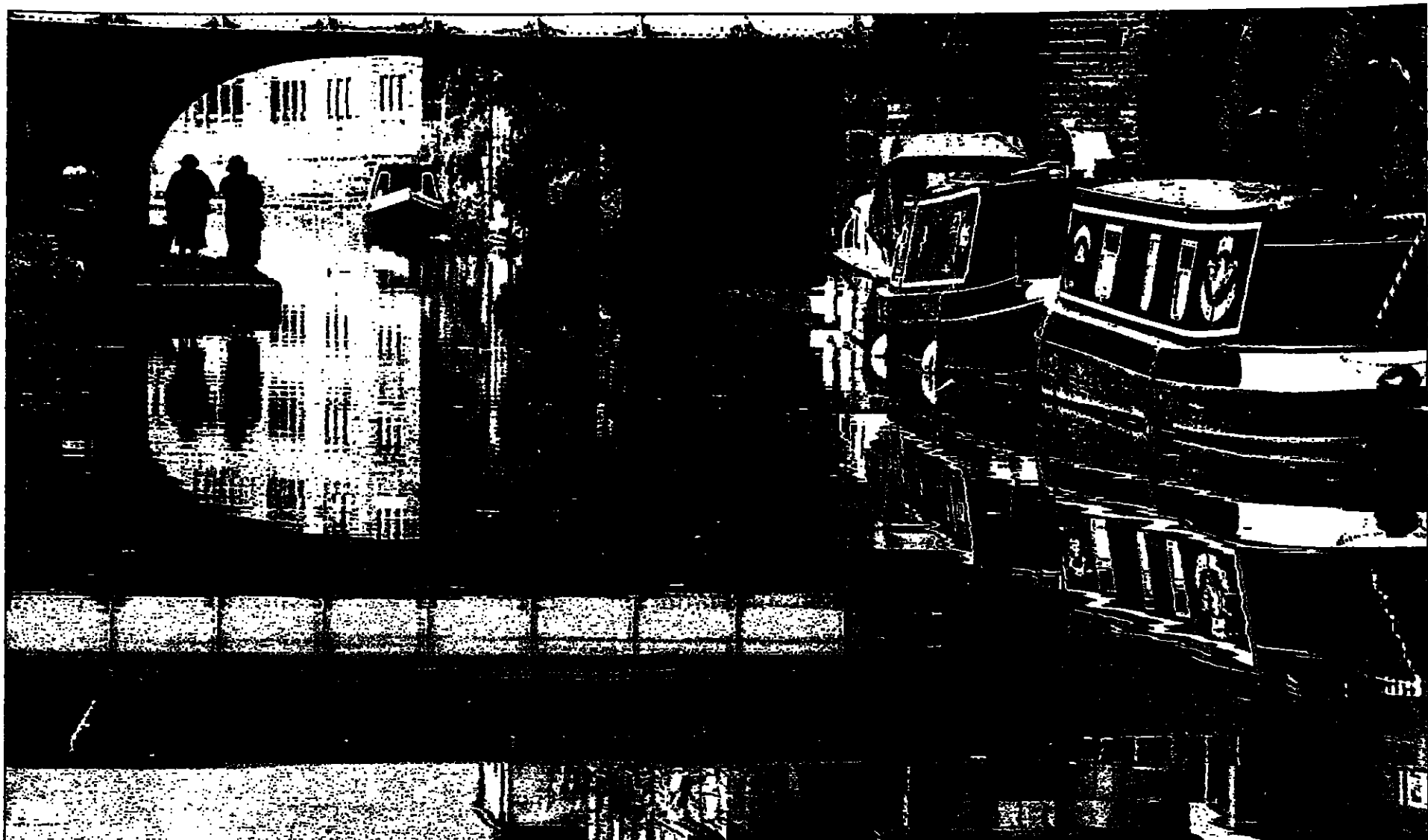
CHRISTIAN WOLMAR
Transport Correspondent

A radical plan to put freight back on the canals and rivers of Britain is to be presented at the forthcoming party conferences.

The idea is to extend existing waterways or even open new ones to make use of new technology which could make freight by water economically viable. While the common perception is that waterborne transport has all but disappeared, in fact one-quarter of freight travels by water, much of it on internal routes rather than coastal shipping.

The plan was launched just as a scheme to link the Irish Sea and the North Sea with a £6bn ship canal close to the route of Hadrian's Wall, was unveiled. The 70-mile canal, to be called the Western Water Highway and promoted by Derek Russell, a Manchester University lecturer and the Western Water Highway Association, is to take freight ships from Ireland and North America across England from Port Carlisle in Cumbria to Newcastle and on to the markets of northern and central Europe.

The Inland Waterways Association (IWA) says there is enormous scope to make better use of water for bulk transport, but it requires planning and a commitment by government. The IWA wants the Government to adopt the target recommended



Revival: The Rochdale Canal at Hebden Bridge, West Yorkshire, which has won £11.5m millennium cash to restore 32 miles from Halifax to Manchester. Photograph: Steve Forrest.

by the Royal Commission on Environmental Pollution in 1994, to increase waterborne freight by 5 per cent per year.

David Hilling, of the Inland Shipping Group, said at the launch held next to the River

Thames in London: "With pressure on the roads growing every day, the Government must consider better use of the waterways if it is really interested in more sustainable transport." As he spoke, several barges carrying

rubbish from the City passed by, as if to illustrate that much waterborne freight is unnoticed by the public.

The IWA has identified seven schemes where modest investment in canals or docks

could lead to a sharp increase in water transport. These include freight terminals at Warrington, West Midlands (on the Severn waterway), East Midlands (via a new waterway from the Wash), west London and West York-

shire. Other schemes are to improve the Trent so it can take large barges and upgrading the Aire and Calder Navigation. The IWA will be telling the political parties that the Government should give responsibility for waterways to the Department of Transport instead of the Department of Environment and undertake feasibility studies for all these schemes. It wants a central government strategy for waterways.

Legal threat to women priests

ANDREW BROWN
Religious Affairs Correspondent

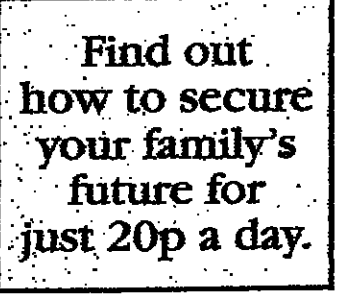
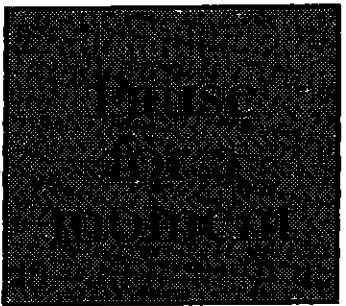
Opponents of the ordination of women are considering a legal challenge to the decision yesterday of the Church in Wales to ordain women priests.

The opponents of the measure, concentrated in the House of Clergy, failed by one vote to muster the necessary one-third of the vote that would have blocked the measure for a second time. The voting figures were 85 for and 40 against among the clergy. The laity voted overwhelmingly in favour, by 136 to 47; and the bishops by 6 to none in favour.

The vote means that there will next year be women priests in all the four Anglican churches of the British Isles. Nearly 80 women deacons are waiting to be ordained in Wales. The Welsh church has made less elaborate and generous provision for opponents than was done in England.

There will be no "Flying bishops" to minister to those priests and faithful who repudiate bishops who will ordain women and all their works, though there may be an assistant bishop specially appointed for that constituency.

Financial compensation for priests who leave will be limited to a maximum of two years' salary, and available only in cases of proven hardship.



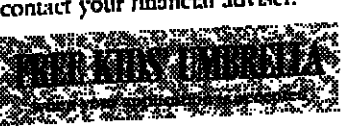
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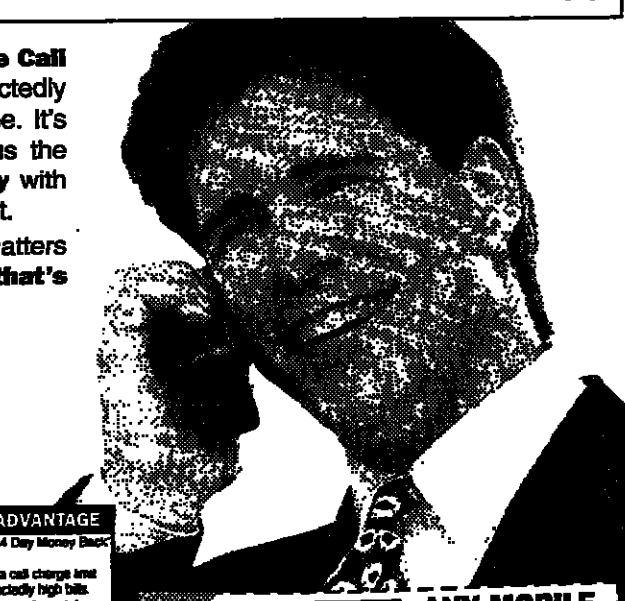
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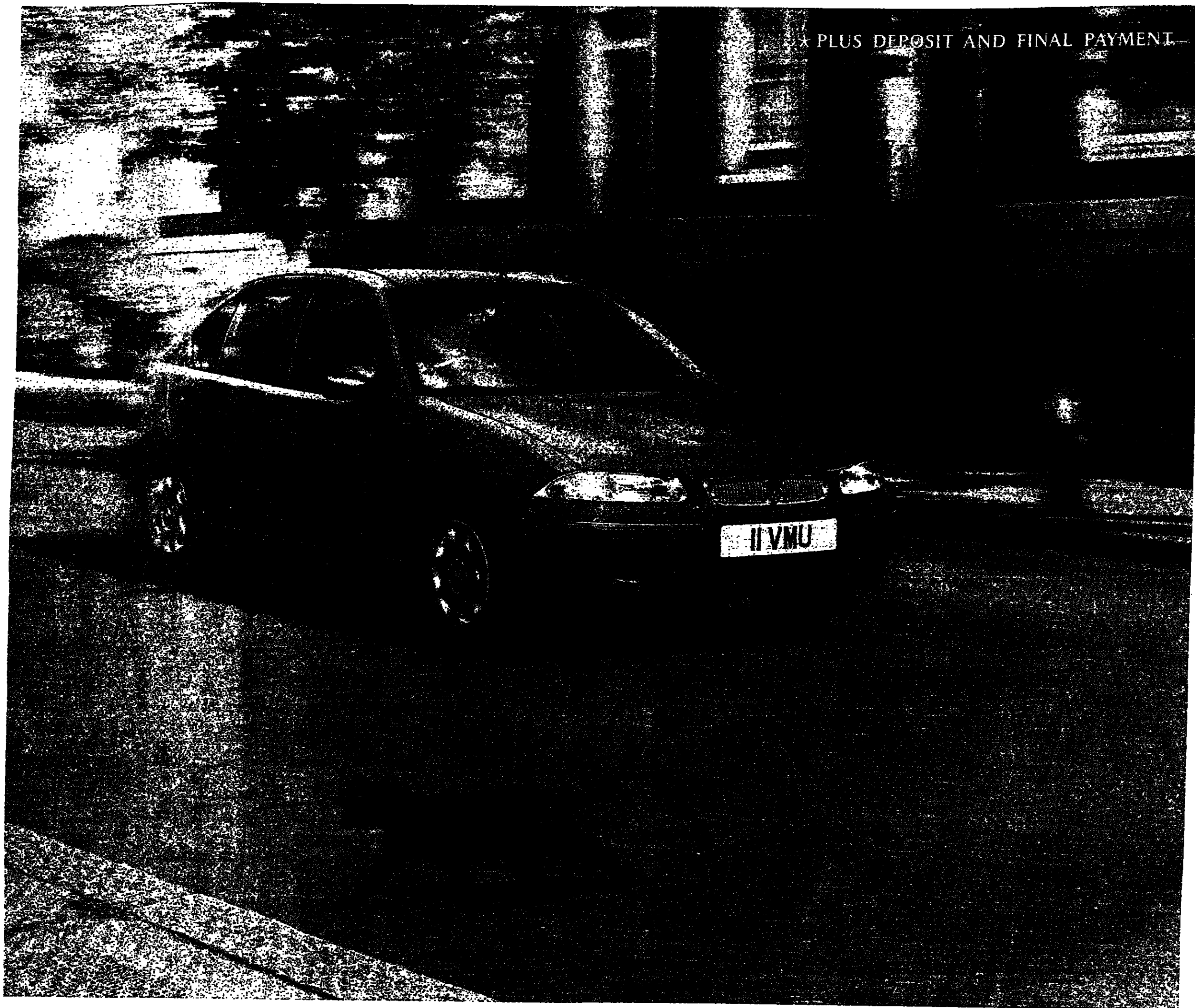
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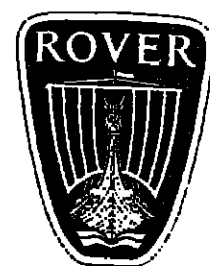


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Mapplethorpe show reveals body of support

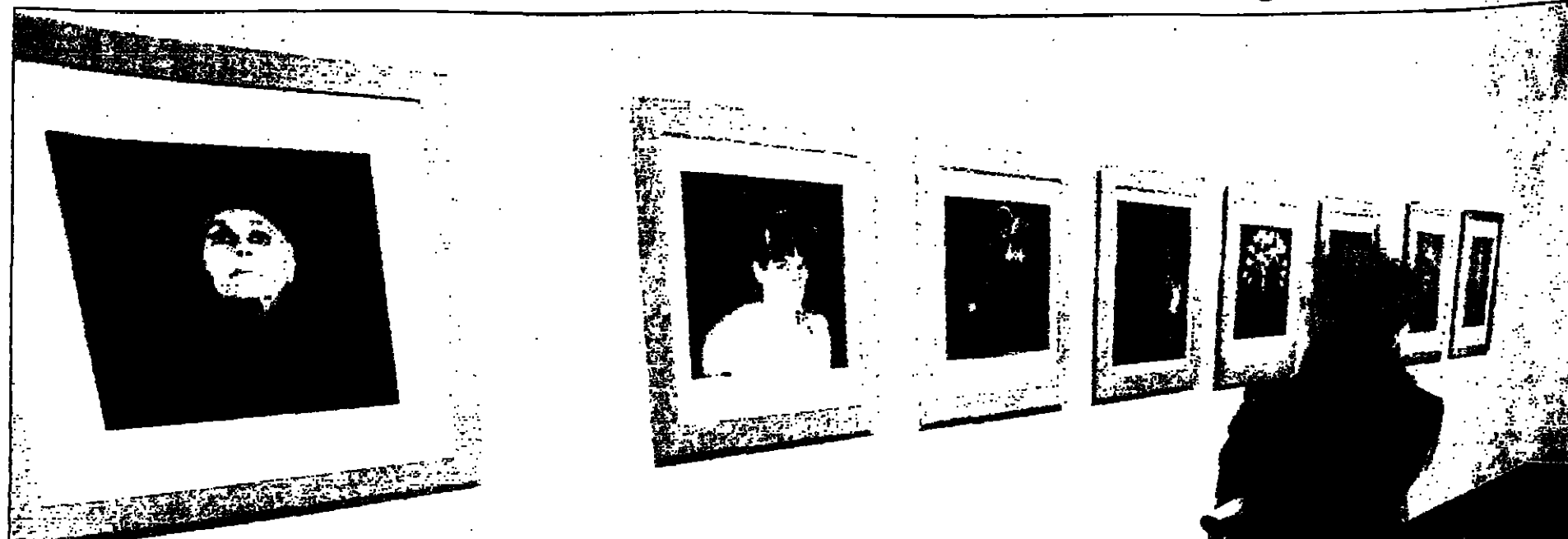
Public rejects censors as controversial exhibition opens to approval

REBECCA FOWLER

The opening, when it finally came, was a sedate affair. Gentlemen with umbrellas stood beside students in berets and ladies in suits yesterday to survey the startling images at the opening of the controversial Robert Mapplethorpe photography exhibition at the South Bank in London.

There was no sign of the censors, who were outraged by Mapplethorpe's pictures of sadomasochism. Nor was there any sign of his most offending picture, a naked three-year-old girl taken 20 years ago, which was omitted on the advice of the police and described as "utterly horrific" by Esther Rantzen.

Instead the largely enthusiastic audience, mostly artists of



Parental guidance: A woman carrying a child around the Mapplethorpe retrospective at the Hayward Gallery, South Bank. It closes on 17 November. Photograph: Adrian Dennis

some sort, who came to view the retrospective show that follows Mapplethorpe's death from Aids in 1989, was united in insisting that the art should

be allowed to speak for itself. After surveying the 200 images, including photographs of sadomasochistic sex and a series of penises at the Hayward

Gallery, Penelope Grettton, 47, and her husband Keith Grettton, 61, who run the Battersea Contemporary Art Fair in south London, were full of praise.

"If you can think it and reproduce it, why shouldn't anyone else look at it? What's wrong with treating the human body or a penis as a still life?"

asked Mrs Grettton. "I don't see why these photographs are regarded as scandalous when pictures of naked women, which we see all the time, are not."

Mr Grettton added: "We've become very self-conscious about images of children. But it's far more titillating to censor things and make them for-

bidden, or show half-naked forms. The more you present the naked body as normal, the less titillating it becomes. Bodies in themselves can't do anything harmful."

Other visitors agreed there was no place for censors in art. Harriet Mason, 51, a part-time artist who attended with her daughter Emily, 21, an art student, said the exhibition was "in your face" but not shocking.

She said: "Censorship is very difficult. If you think of things censored long ago you now think of as anodyne, like *Lady Chatterley's Lover*. It's hard to see it in perspective. But everyone is very hung up about children at the moment, and that makes it particularly difficult."

There was only one voice of dissension, and it came from the only child at the opening yesterday morning who came with his mother despite a sign on the door warning the material was not suitable for children. Simon Whalen, aged 10, visiting Britain from Canada, pondered the exhibition for some time before concluding: "It's just really ... I don't know ... well, boring."

Anti-corruption inquiry into police computer

JASON BENNETTO
Crime Correspondent

A new anti-corruption unit is to examine the national computer systems of all police forces in England and Wales following concern that confidential information is being illegally obtained by officers and sold or passed on to friends.

The four-strong team of Her Majesty's Inspectorate of Constabulary, the official watchdog organisation, will examine the security surrounding the Police National Computer (PNC), whose entries include criminal records and vehicle ownership.

Among those abusing the system are former and serving police officers who have been paid - sometimes by journalists and private investigators - to find out criminal and private details of people under investigation. Officers have also used confidential files for personal reasons such as checking up on the new partners of their ex-girlfriends.

Criticism of the Metropolitan Police's existing safeguards, which were described as "inadequate" in a recent report by HMIC, have already led to stricter security measures being introduced.

The establishment of a national audit and the new computer squad will be announced by HMIC next month in their annual report. It is understood that other organisations such as

the security services and the Transport Police may also be examined by the inspectors.

HMIC will say in its report that the measures are needed partly because of government proposals to allow employers to check the criminal records of potential employees via a vetting agency - thereby increasing the risk of abuse. The inspections of the 43 forces in England and Wales will take place over the next three years; a handful of audits have already been completed.

The Independent Police Complaints Authority first highlighted the abuse of the PNC system in 1986. A spokesman said: "Ten years later we are still seeing misuse of the PNC which we consider a very serious matter."

Two Metropolitan Police officers, Paul Bignell, 36, and Victoria Parker, 31 - the colleague he has since married - were fined £300 each and face losing their jobs after being found guilty in June of illegally using the PNC to gain information about Gary Howells, his ex-wife's new boyfriend. Yesterday they launched an appeal against their convictions.

Every police officer although there are supposed to be stringent checks on each entry to ensure the information is needed for a legitimate case. The use of this information for private or commercial inquiries is a breach of the Data Protection Act and the Official Secrets Act.

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EU rule sounds choir's death knell

CHRIS MOWBRAY

One of the best professional male voice choirs in the world is in danger of folding because European legislation is forcing Britain to charge citizens of the former Soviet Union an entry visa fee.

The Revutsky Choir, based in Kiev, has been gradually losing the subsidies it received from the former Communist regime since the government of Ukraine declared indepen-

dence five years ago. In an effort to make good the shortfall, choir members have been undertaking an annual concert tour of Britain as the Boyan Ensemble to raise money.

When they applied for their visas at the British embassy in Kiev for this year's tour, however, the 27 singers, their tour manager and two coach drivers were told they would have to pay a fee for the first time. The charges amount to only £33 a head, but because of Ukraine's

fragile economy this is equivalent to 75 per cent of the singers' monthly wages.

As the ensemble arrived in Britain this week to begin their latest tour to coincide with the 5th anniversary of the Ukraine's independence, their agent in Britain warned that the unexpected bill might put the choir out of business. "This tour is literally a lifeline for them and if they do not make enough money there is a very real danger this distinguished choir will cease to

exist," said Margarete Rolfe. "A sum of £1,000 for the whole party may not seem very much to westerners, but it is an enormous amount for Ukrainians who are paid a pittance."

The current tour, which takes in 13 concert dates before the end of the month, is a far cry from the days when the Revutsky choir flew all over the world as cultural ambassadors for the Soviet Union. The singers have to rely on the good will of British well-wishers for free board and

lodging and their concerts are in churches, schools and halls in such centres as Ipswich, Malmesbury, and Bridlington.

The Foreign Office said Britain and the former USSR used to have a reciprocal agreement under which each other's nationals were not charged for entry visas. This has now had to be scrapped with plans for a common EU visa. "We have had to fall into line with the rest of Europe," said a spokesman. "It is as simple as that."



Portrait of the artist on tour: Margaret Atwood in London to promote her new novel, 'Alias Grace'

Photograph: David Rose

The writer's tale: how a story chose an author and wowed the critics

Margaret Atwood's ninth novel was published yesterday to universal welcome from the critics and predictions it will become one of the top selling books of the autumn. *Alias Grace* is her first attempt at historical fiction; she previously tried her hand at satire, investigations into paleontology and science fiction.

The 56-year-old Canadian may be a feminist icon on both sides of the Atlantic, but in an exclusive interview with *The Independent* she questioned the feminist label. She also, in her slow, Toronto drawl, talked about the precariousness of existence, temptresses and fiends, why children should read Shakespeare and how she was "chosen" to write *Alias Grace*. Set in her native Canada, *Alias Grace* recounts the story of Grace Marks, a 15-year-old girl arrested with fellow-servant James McDermott for the double murder of their employer and his mistress. They ran off, only to be captured. McDermott was hanged; Grace's sentence was commuted to life imprisonment.

After 30 years she was pardoned. In her afterword to the novel, Atwood explains: "Attitudes towards her reflected contemporary ambiguity about the nature of women: was Grace a female fiend and temptress, the instigator of the

Catherine Pepinster talks to Canada's top author about the spiritual inspiration behind her new book

crime and the real murderer... or was she an unwilling victim, forced to keep silent by McDermott's threats and by fear for her own life?"

It is not the first time Atwood has written of women capable of more than goody-two-shoes subservience or being the victims of men. In *Car's Eye*, there was Cordelia, the school bully; in *The Robber Bride*, she created Zenia, who stole her friends' men.

This latest novel is a far cry from green-spined Virago volumes in which the heroines cope with the infidelities of double-dealing men. Atwood is suspicious of labels, such as feminist writer, which has been attached to her since she published *Surfacing*, an account of a woman finding her self in the Canadian north, more than 20 years ago. "Every woman who appeared in the early Seventies was called a feminist writer. Suddenly we noticed women in a different way than they'd been noticed before - as neurotic, with their heads in the oven or strange spinsters. I am a writer who writes for people who read books," she said.

Meeting her made me realise that one always expects to like the authors of the books one

likes, and I'm not sure if I do like her. I think she probably uses her intelligence as a weapon when she's put on the spot by people of whom she's suspicious. And she seems instinctively suspicious of journalists - although she was solicitous about the fortunes of *The Independent*, which she sees as a vital alternative to

'I didn't choose to write about this subject. It chose me. In a hotel room'

"Conrad [Black] and Barbara [Amiel]."

Like many writers today, Atwood is no longer just a novelist and poet. Next week she appears at the Royal Festival Hall in London to talk to an audience of 1,000 fans and read excerpts from her novel. After that, she returns to Canada for a reading tour. Atwood expects no explanations from readers as to what they get from her.

Concern with the unconscious is one of the key aspects of *Alias Grace*. Grace is perceived through the eyes of a progressive psychiatrist, a doctor, a spiritualist, a clergyman and a hypnotist. One of the novel's most telling scenes is of her under hypnosis, revealing that she was possessed of a spirit.

Atwood's explanation of writing fiction veers towards the spiritual. "I didn't choose to write about this subject," she says. "It chose me. In a hotel room in Zurich. There it was."

She is a passionate believer in the need to encourage reading, especially among children. "It's easy to underestimate kids' potential," she said. "Small kids can understand Shakespeare, particularly if they see it done on stage."

Although Atwood is keen to emphasise that she is a novelist, not an historian, *Alias Grace* is the work of someone fascinated with minutiae of life. "I'm interested in how ordinary people lived. People have no idea of the precariousness of people's lives. The trouble is the 20th century came upon us like a thunderbolt. Now we're going so fast and nobody's steering."

Canada - the two-sided nation of Francophone Quebecers

and Anglophone Ontarians - reflects the light and dark of both Grace and Atwood's characters. Atwood has lived in both parts of Canada, in commercial Toronto and northern Quebec, part of the mythology of the North that all Canadians are steeped in. The North is the place where you find yourself, get in touch with nature, go wild, fall in love with solitude, and with the bears.

The days are long gone when Canada could be written off as a literary backwater. Atwood's fellow writers include Michael Ondaatje, Alice Munro, Mordecai Richler and Carol Shields - and the women are noticeably dominant.

Atwood puts this down to the lack of overpowering male literary figures. "Maybe, under frontier conditions, the men were kept so busy chopping down trees and strangling wolves that the arts came to be regarded as silly stuff."

"Canadians never developed the concept of women as mere brainless decoration. Canadian folklore is still full of tales of our grandmothers' generation when women ran farms, chased off bears, delivered their own babies in remote locations and bit off the umbilical cords."

"Whatever the reason, if you're looking at writing in Canada, you can't just footnote the women."

Tate and National swap masterpieces

The National Gallery and the Tate Gallery, in London, have agreed to swap dozens of masterpieces, they announced yesterday. The move aims to redefine the "modern" era, and to rationalise the two national collections of foreign art.

The directors of the two galleries have fixed on 1900 as the cut-off date for the beginning of modern art. At present the collections overlap slightly; the Tate - traditionally the home of international modern art - has some late 19th-century pieces and the National Gallery has some early 20th-century paintings.

More than 60 works by non-British artists including Picasso, Van Gogh, Monet and Matisse, will be loaned from one gallery to the other for an experimental period of four years.

Twentieth-century paintings moving from the National to the Tate include Picasso's Cubist work *Fruit Dish, Bottle and Violin* (1914) and Monet's mon-

umental *Water Lilies*. Meanwhile Van Gogh's *Farms near Auvers* (1890), painted two months before his suicide, and Gauguin's Tahitian work *Faa'itehi* (1898) and other works will travel from the Tate to strengthen the National's collection of those and other post-impressionist artists.

"It seems to us very important that the collections of this country are where the public expect them to be," Neil MacGregor, director of the National Gallery, said. The changeover will take place next spring.

The loans of 14 National Gallery works and 52 Tate works was organised in a spirit of co-operation, Mr MacGregor and the Tate's director, Nicholas Serota, said.

The last attempt to rationalise the collections was in 1927, when 1870 was established as the beginning of the modern era. The Tate will continue to hold its British collection, which dates from the 16th century.

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A nation divided: Pontiff's visit sparks arguments which head of French church calls 'hateful'

France falls out of love with the Pope

MARY DEJEVSKY
Paris

Pope John Paul II began a four-day visit to France yesterday, confounding predictions that ill-health would keep him at the Vatican.

He completed the day's programme, which included a formal meeting with President Jacques Chirac, a ride in his "popemobile" through the streets of Tours, and a visit to the shrine of Saint-Laurent-sur-Sèvre in the western region of the Vendée, but the many controversies that have dogged this, the Pope's fourth visit to mainland France — the French count it as five visits, including the one to the island of Réunion — were never far away. The need for delicacy, on both sides, was immediately apparent from Mr Chirac's welcome, in which he addressed the Pope "in the name of the republic and laity of France" — in other words in his capacity as head of a secular state, not as head of a Catholic state. The Pope, similarly, restricted himself to mainly "state" topics with Mr Chirac, calling for France's traditional "solidarity and fraternity" to be extended to victims of the economic recession, and expressing the hope that France's Catholics would be open to "dialogue" with other religious groups.

Although a vast majority of French people are baptised and describe themselves as Catholics, the idea that there is a strict separation between church and state is upheld as one of the achievements of the French Revolution. Plans by Mr Chirac to attend the papal mass at Rheims cathedral on Sunday, which commemorates the baptism of Clovis, the first,

barbarian, king of France, were called off at a late stage after a public outcry about the dangers of the state authorities associating themselves too closely with the Catholic Church. Mr Chirac's wife, Bernadette, is expected to attend the mass alone.

The arguments about church-state relations in the weeks before the Pope's visit set this one apart from the previous four. Though he was greeted with rapture on his first visit in 1983 the subsequent ones were marked by a gradual lessening of interest. However, there was nothing like the open criticism and even hostility that this visit has generated.

Headlines in yesterday's national press in France ranged from "The awkward guest" in the left-of-centre *Libération* to the popular *Aujourd'hui* "The French and John-Paul II — in love no more". Some church and many secular groups plan to join a demonstration in Paris on Sunday "to call for strict observance of church-state separation", to run concurrently with the Clovis celebrations in Rheims. Smaller protests are planned for almost every stop on the Pope's tour.

Several times in recent



State aid: The Pope being helped by President Jacques Chirac at Tours yesterday

Photograph: Reuters

weeks, the mild-mannered Cardinal Archbishop of Paris, Jean-Marie Lustiger, has felt driven to speak out against the condemnations of the visit. Yesterday, he described the

tone of argument as "hateful". Opinion polls and statistics suggest that the attitudes of the French towards the Catholic Church have undergone a significant change over the decade.

The celebrated description of France as the "eldest daughter of the church" is disavowed by almost three-quarters of the population. The Vatican's policies on birth control, Aids, homosexuality and divorce have alienated many of those who might before have accepted church teaching without question, including some in the church hierarchy. One report yesterday said many bishops opposed the visit, regarding it as "ill-timed" and likely only to underline the unpopularity of the Vatican in France.

Another subject of prime concern yesterday was the Pope's health. French commentators put the best gloss possible on it, with one presenter on the state television's

second channel saying that he looked "in very good health". In fact, for much of the arrival ceremony at Tours airport, the Pope looked weary and appeared to be under heavy medication. During the playing of the national anthem, a camera caught expressions of extreme pain, before it panned away.

Today, the Pope is to say mass at the cathedral of Auray in southern Brittany, which is dedicated to St Anne, the mother of the Virgin Mary, and tomorrow he will say mass in Tours cathedral. But the climax of his visit will be an open-air mass near Rheims, followed by the contentious commemoration at the city's mighty cathedral of the 1,500th anniversary of the baptism of Clovis.

significant shorts

Bossi handed PR coup by Milan raid

The Northern League leader and his separatist found public sympathy for once yesterday after a police raid on their Milan headquarters ended with several supporters being stampeded and crushed. The police, acting on the orders of a Verona magistrate, arrived at the party building on Wednesday evening with a warrant to look for "anti-constitutional material", in particular any written evidence of plans to set up an independent national guard for their statelet of Padania. The raid quickly turned sour when Umberto Bossi and League members formed a human barricade at the entrance. A crush formed, in which several people were injured. Mr Bossi's deputy, Roberto Maroni, spent the night in hospital after he was pushed to the ground and kicked in the head. The incident could not have been a greater gift to Mr Bossi as parliament ended its summer recess.

Andrew Gumbel — Rome

Nato presses Serbs to sack police chief

Nato said it wanted Bosnian Serb authorities to remove a police chief by midday today or its troops would take "remedial action". Admiral Joseph Lopez, commander of the Nato-led peace force (I-For) has demanded that the Bosnian Serbs sack Simo Drljaca, police chief in the ultra-nationalist Serb district of Prijedor, for "intolerable and dangerous behaviour". He refused to hand over an MP-5 machine pistol to a Czech I-For patrol on Monday and fired a shot into the air. *Reuters Sarajevo*

Turkey loses £46m EU aid

The European Parliament has frozen a £46m aid programme for Turkey in protest at its human rights record. The vote calls for the EU to suspend the aid due next year in protest at the harsh treatment of the Kurdish minority and Turkish policy in Cyprus. *AP — Brussels*

Swiss gift to Jewish groups

Zurich yesterday pledged 1 million Swiss francs (\$530,000) to two Jewish groups in connection with its apology last year for turning back refugees from the Nazi Holocaust. The decision came as pressure from Jewish groups mounted on the Swiss to pay back Nazi money and Jewish accounts left ownerless by Holocaust victims. *Reuters — Bern*

Ukraine given cash guarantee

Ukraine's former president yesterday denied trying to take \$30m (£20m) into Israel, blaming unnamed secret services for planting the accusations in Russia's *Izvestia* newspaper. Leonid Kravchuk was stopped by Israeli customs officers in December while allegedly trying to bring in a suitcase full of cash. *AP — Kiev*

More Libyans accused over DC-10 bomb

France's chief anti-terrorism investigator has accused two Libyan secret service officials of involvement in the 1989 bombing of a UTA airlines DC-10 over the Sahara. It brings to six the number of Libyans Judge Jean-Louis Bruguiere wants tried for the bomb which killed 170. *Reuters — Paris*

Motorist gets his goat

A Russian man who offered to kill his goat and cook it after it attacked a motorist's car has been fined \$60 for the animal's behaviour. The owner offered the motorist goat kebabs after the driver hit the goat in Samara, southern Russia, as it crossed the road. The creature responded by smashing the windshield and walking over the roof. *Reuters — Moscow*

The state of Catholicism in France

- 45 million French people, or 75%, are baptised.
- Only 25% of these say they are convinced believers; another 25% say they are faithful 'by tradition'.
- There are 28,000 priests, compared with 40,000 10 years ago. There were only 96 ordinations in 1995.
- There are 13,400 monks (18,000 in 1980) and 55,000 nuns.
- Today, 58% of children are baptised today compared with 62% in the Eighties.

- In 1993, 51 per cent of weddings were in church, compared with 65% in 1980.
- According to a poll in *Le Point* magazine, although majority of those asked had good or very good opinion of the church and the Pope, 67% regarded him as taking the church backwards, and only 26% considered him modern; 87% disagreed with his views on condoms, and 59% said they could not understand why, even given his role as head of the church, he could not defend their use.

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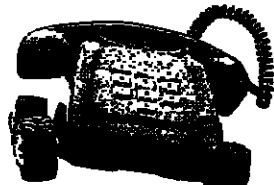
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New Bosnia splits down old lines

The presidency cannot even agree where to meet, writes Tony Barber

Post-election political conflict broke out in Bosnia yesterday as Serbs and Muslims argued over where the republic's new collective presidency should meet. The dispute enhanced the impression of most non-governmental Western observers that last Saturday's elections have reinforced rather than reversed Bosnia's tripartite division into Serb, Muslim and Croat sectors.

Momcilo Krajisnik, a Bosnian Serb nationalist who won election to the three-man presidency, said the body should meet in a building on the dividing line between the Serb-controlled half of Bosnia and the Muslim-Croat half. "They want the building smack on the border, with one door on the [Muslim-Croat] federation side and another door on the Serb side," a Nato source said.

Muslim leaders accused the

Serbs of raising the demand as a way of paralysing the presidency before it has even started to function. The Muslims would prefer the presidency to meet in Sarajevo, which is in the Muslim-Croat sector.

The presidency will include politicians from all three Bosnian nationalities - Mr Krajisnik for the Serbs, Alija Izetbegovic for the Muslims, and Kresimir Zubak for the Croats. Under the terms of last year's Dayton peace settlement, the presidency is supposed to govern by consensus, without prejudice to the interests of any of Bosnia's three nationalities.

However, the dispute over the presidency's venue suggests that Messrs Krajisnik, Izetbegovic and Zubak may never agree on anything of substance.

Mr Krajisnik campaigned in the pre-election period for Serb secession from Bosnia and the unification of the Bosnian Serb region, known as Republika Srpska, with Serbia proper.

Mr Zubak, for his part, advocates close links between the Bosnian Croats and Croatia, and he agreed only reluctantly to the recent dissolution of the separatist Bosnian Croat ministry, established in 1992, called Herceg-Bosnia. Meanwhile, Mr Izetbegovic, who will chair the Bosnian presidency, is suspected by the Serbs and Croats of pursuing a militantly Muslim nationalist agenda.

Western governments insisted that Bosnia's elections should go ahead in accordance with the timetable set out at Dayton, even though it was clear from

the outset that the vote would produce overwhelming triumphs for the three nationalist parties that sparked the 1992-95 war. The post-election paradox is that, while these parties now have a new democratic legitimacy, none of them appears willing to honour the spirit of the Dayton agreement that called for a united, decentralised, tolerant Bosnia.

Elections for the leadership of Republika Srpska resulted in a substantial victory for Biljana Plavsic, who became acting president of the Bosnian Serb sector after the indicted war criminal Radovan Karadzic was forced by the West to stand down. The political views of Mrs Plavsic, who won 66.1 per cent of the vote, appear not to differ greatly from those of Mr

Krajisnik and other secessionist Serbs.

The small chance that Bosnia may overcome its wartime divisions and avoid renewed conflict rests on the continued involvement of Nato, whose year-long mandate to keep a peace force in Bosnia expires in December. Nato's Secretary-General, Javier Solana, made clear yesterday that alliance forces, including those of the United States, would stay beyond December despite President Bill Clinton's pledge that US soldiers would serve in Bosnia for no longer than a year.

"I believe that the international community, including Nato, must remain engaged in Bosnia beyond this first year," Mr Solana told the International Institute for Strategic

Studies in London. "On the security side, there may well be a requirement for a continued military presence in Bosnia... albeit smaller and for a strictly limited term."

It is generally expected that Nato would maintain a presence in Bosnia until December 1997, with a minimum of 20,000 troops on the ground. This would be well below the present deployment of 58,000 troops, but crucially it would involve a substantial number of US soldiers, without whose presence no European government is willing to keep troops in Bosnia.

However, even Nato's continued commitment would not guarantee the reversal of the physical separation of nationalities caused by the war. It should prove possible to keep the peace in Bosnia in 1997, but it may prove impossible to reverse the republic's partition.

Greek elections: Colourless campaign heralds departure from passionate Balkan politics

Pale reflections of past demagogues

ANDREW GUMBEL
Athens

It is election season in Greece, but something seems strangely out of place. In the past, campaigns featured larger-than-life political leaders setting crowds alight at mass rallies, hurling grotesque insults at each other, setting gangs of young supporters at the throats of their rivals, promoting their mistresses, brothers and cousins as the rising stars of Greek democracy, and making outlandish promises of money and jobs to key sections of the electorate.

Not this time. The last of the demagogues, Andreas Papandreu, died in June, leaving a once-combative Greece uncharacteristically humble about its place on the bottom rung of the European Union; even the country's traditional hostility towards Turkey and its neighbours in the Balkans has been supplanted by a desire to create greater stability in the eastern Mediterranean.

With the election looming this Sunday, you have to look hard on the streets to find evidence of any campaigning at all. Modern Greek politics have never been this quiet.

"We are moving from a leader-centred system to a more institution-centred one. The transition is important, as it is a sign of our democratic maturity," observed the outgoing Education Minister, George Papandreu, himself a far more conciliatory personality than his father, Andreas. "Things are no longer as black and white as they were during the Cold War, when Greece was isolated from its neighbours. Now we need to redefine our role."

Both the Prime Minister, the Socialist Costas Simitis, and his conservative rival, Kiriakos Xara, broadly accept the need to bring Greece's chaotic public finances into line with the Maastricht criteria, and both have been careful not to make rabble-rousing anti-Turkish remarks from which they would

have to row back as soon as they get into office.

That has made for a bland election campaign in which the two main parties, the Socialist Pasok and the conservative New Democracy, have both lost ground to a clutch of smaller protest groups on both right and left.

Mr Simitis, who called the election a year early to bolster his authority within his party before he embarks on a tough austerity budget for 1997, is selling himself as "Mr Serious", spurning the temptation of pre-election handouts and refusing to paint a rosy picture of what is essentially a grim economic outlook.

He entered the election the clear favourite but his colourlessness has given his opponent the chance to run up from behind and come within sniffling distance of victory. The two parties are now level, each with about 30 per cent of the vote. Mr Xara has run a far more lively, unashamedly populist campaign, promising bigger pensions here and tax cuts there - promises he almost certainly will not be able to keep, but which recall the more colourful political campaigns of the past.

Whoever wins will make himself felt more through style than substance. Mr Simitis is considered a man with a solid international reputation, and a

low-key, professorial manner. For years he found it hard to translate his ideas into action because of the looming presence of Mr Papandreu and now because of the continuing pressure of Mr Papandreu's political heirs within Pasok.

"He talks a good game but he never does anything. This is not what Greeks expect from a leader," said Peter Doukas, a former minister and economic adviser to New Democracy.

Mr Evert has a more hands-on image - his nickname when he was Mayor of Athens was "The Bulldozer" - but he lacks Mr Simitis's authority. Until this election campaign he was considered something of a laughing stock, even in his own party - a man who "only ever opens his mouth to change feet".

His rhetoric speaks of rapidly liberalising the economy while pursuing a more nationalist foreign policy; the feeling among political scientists and foreign diplomats, though, is that he would do neither, the former because Greece has too many entrenched economic interests and the latter because the region is too volatile already.

Mr Papandreu's death has left Pasok confused and divided. Mr Evert, meanwhile, has never looked more than a temporary leader of New Democracy, and the man he replaced after the last elections, the more authoritative Costas Mitsotakis, has been working surreptitiously in the background to undermine him.

Greece will need strong leadership in the next few years to shed its Balkan image, build strong ties with its neighbours, modernise its economy and catch up with the rest of the European Union.

But strong leadership is something neither Mr Simitis nor Mr Evert seems likely to provide. Demagoguery may be out of fashion, but the sheer political authority of a Papandreu or a Karamanlis is something that the country may yet come to miss.



Papandreu: The last of the rabble-rousers



Flat and one-dimensional: Portrait of the Socialist Prime Minister, Costas Simitis, whom opponents have called bland

Photograph: George Karachalis/Reuters

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Women convicts join chain gang

TIM CORNWELL
Phoenix, Arizona

Princess Richardson, short, blonde, 42, and a veteran of the Spartans biker gang, took two shots at her ex-husband with a Magnum .357. She marched out of the Arizona's Estrella jail yesterday at the head of what is proudly billed as America's first female chain gang.

The 15 women, their legs shackled, sang a marching chant that Princess, serving six months for aggravated assault, had written. "We got to work so we don't get fat! We wear orange suits and little orange hats! Big wide belts and shiny black boots! People say that we look cute."

Mostly on short jail terms for prostitution and drug possession, few older than 25, they were lipstick brought from the prison commissary. They were paraded through a phalanx of television cameras, smiling and shy, bizarrely telegenic poster girls for the Phoenix Sheriff Joe Arpaio, famous as the toughest jailer in the US.

"I think it's pretty neat, actually," said Shannon Evans, 23, jailed on a crack cocaine possession charge, through the window of the prison bus. "We've all been locked up for

a long time. We are getting to go out to a real street where there's people."

Sheriff Arpaio is on the cutting edge of widespread efforts to force "hard time" on America's million-plus prison population. In the past four years he has erected a tent city to house 1,000 prisoners in Arizona's 110-degree summer heat, banned coffee and has dyed prisoners' underwear pink to stop them stealing each others'.

His male chain gang was assigned to the cemetery yesterday, burying 15 corpses. As an "equal opportunity incarceration", he said, it was only fair that women should also serve. "Crime knows no gender, nor should punishment," he announced, standing by as the women began weeding down the side of Grand Avenue.

A couple of demonstrators from a prisoner rights group, Middle Ground, yelled protests. But the women - about two-thirds white, the others black and Hispanic - denied they felt humiliated or degraded. It was hardly surprising. A month's service on the chain gang is the only way to move out of disciplinary cells, where four women share a cell for 23 hours a day, and never see sunlight.

international

Fate deals Dole a harsh fall

Washington — Can all the king's horses and all the king's men put Bob Dole's campaign together again? Humpty Dumpty probably deserved his fall. For Bob Dole, the Republican presidential candidate, to take an undignified spill while campaigning for votes in Chico, California, was a vicious twist of fate, writes John Carlin.

Lagging far behind President Bill Clinton in every national poll, in part because of the perception that at 73 he is too old to be president, Mr Dole will be haunted by the thought history might judge the photograph of him lying flat on his back with a grimace on his face as the image of the 1996 election campaign.

After a stage railing gave way he tumbled 4ft to the ground, his fall mercifully broken by a screen of photographers.

But, seemingly unharmed, the Second World War veteran said: "I think I just earned my third Purple Heart going over the rail."



Flat out: The Republican candidate Bob Dole takes a tumble in Chico, California. Photograph: Rick T Wicking/Reuters

Peres farewell ends an era in Israeli politics

ERIC SILVER
Jerusalem

Shimon Peres has blown the whistle to start the race for his own succession — as leader of the Israeli Labour Party and, perhaps, as Prime Minister. Labour, like the Likud before it, is changing generations.

With a deceptively casual air, the 73-year-old veteran of nearly half a century in Israeli politics told a local television interviewer he would not be standing for prime minister in the next elections in four years. Nor would he run for party leader in a poll due by July 1997.

It was inevitable that Mr Peres would be replaced before the 2000 elections. Despite a 15-

point lead at the beginning of the campaign, he lost in May to Benjamin Netanyahu — the Likud leader 26 years his junior. It was Mr Peres's fifth failure as Labour's standard-bearer, and no mitigating circumstances, even the Hamas suicide bombings, could persuade the party to give him another chance.

The party and its leader knew that he had to go. But he was in no hurry. He wanted, he said, to hand over the shop in good order. Less openly, Mr Peres hoped that Mr Netanyahu, would make such a mess that his coalition would disintegrate and the Prime Minister would beg Labour to join a national unity government. Mr Peres's announcement is a tacit acknowledgement that this is not going to happen.

Mr Netanyahu has undergone a crash course in the realities of Israeli democracy. But his government is not about to collapse. He insisted yesterday the peace process with the Palestinians was starting to move, with priority being given to redeployment from Hebron, the last West Bank city still under occupation. "There is serious engagement that has begun on the outstanding issues, including Hebron," he told European correspondents on the eve of a visit to Britain, France and Germany. The voters will judge Mr Netanyahu by results, but they are giving him time.

No one was surprised by Mr Peres's decision, but its timing on Wednesday night caught the politicians off-guard. One aspiring successor, Uzi Baram, heard the news on holiday in Miami, Florida. Neither of his main rivals, Ehud Barak and Haim Ramon, was watching the

programme. The contest is between these two. The 59-year-old Mr Baram is past his sell-by date.

At 54, Mr Barak is the front-runner. His record as a former chief of staff and Israel's most decorated combat soldier reassures a nervous public which demands peace with security. But, despite a brief stint as Foreign Minister, he has to convince the party rank and file that he has mastered politics since he hung up his uniform in early 1995.

Mr Ramon, eight years his junior, proved himself a vote-winner two years ago when he defeated the established Labour candidate for leadership of the Histadrut trade union federation. But, as campaign director, the former Interior Minister is now being blamed for Labour's election débâcle.

Mr Peres will remain at the helm until next summer. He pledged to go on fighting for the peace process, which he and the assassinated Labour Prime Minister, Yitzhak Rabin, launched four years ago. "My struggle," he said, "is not over a job, but over an issue. I will be as active as a devil. I would struggle for peace even as a street cleaner."

But he will be struggling from the outside. Others will decide. Mr Peres will command an audience for his ideas, but he will no longer make history.

■ Marjayoun, Lebanon — Two Israeli soldiers were killed and two wounded in a guerrilla ambush against their patrol in south Lebanon yesterday, Reuter reports. Earlier the South Lebanon Army (SLA) militia sources said four Israeli soldiers were wounded when Muslim guerrillas attacked their patrol on the edge of Israel's south Lebanon occupation zone.

Clinton pulls out of race to Mars

ROBERT BURNS
Associated Press

Seattle — The US President Bill Clinton is abandoning his predecessor's initiative to put a man on Mars by 2019, it was revealed last night. The new policy instead commits NASA to putting a robot on Mars by 2000.

The decision by George Bush in 1990 to formulate the goal of putting a man on Mars provided some of the political impetus to a \$100bn project to put a permanently manned space station in orbit by 2000.

But following a three-year review of space policy ordered by President Clinton, a "space summit" in December is likely to emphasise greater efficiency in the space programme by transferring activities to the private sector, the Washington Post reported.

While the White House was disengaging itself from plans to put men on Mars, the space odyssey of the female astronaut Shannon Lucid ended. Ms Lucid hugged men from the space shuttle Atlantis who arrived at Russia's Mir space station to



Shannon Lucid: Six-month sojourn has ended

take her home after a record-breaking six months in orbit.

Ms Lucid was finally reunited with her compatriots on Wednesday more than two hours after the spacecraft linked 240 miles above the Carpathian Mountains. She offered the astronauts packets of bread and salt, a traditional Russian welcome.

Her departure was delayed one and half months, and she now swaps places with the Atlantis astronaut John Blaha.

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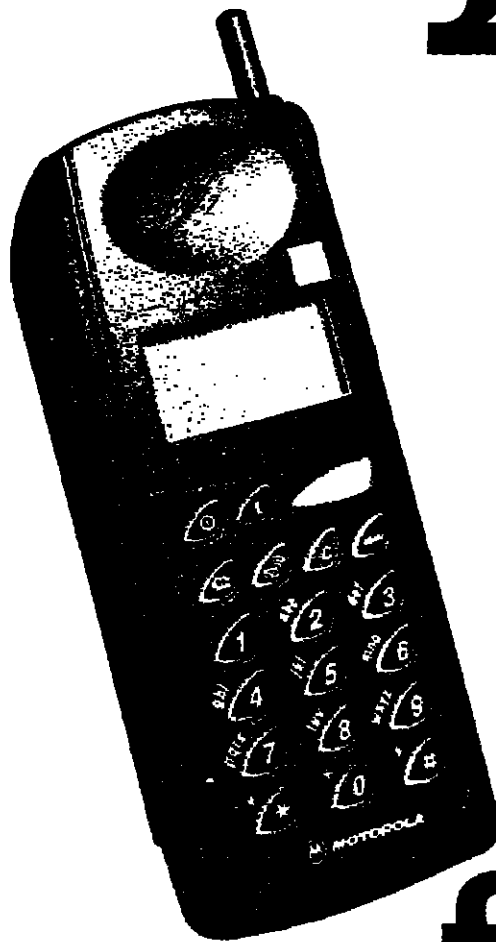


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South Korean soldiers inspect the bodies of some of the 18 North Koreans who died yesterday, some apparently by their own hands, after their submarine ran aground in South Korea Photograph: AFP

Mystery deaths after sub runs aground

RICHARD LLOYD PARRY
Tokyo

Korean border incident: 12 shot dead in apparent suicide pact; 6 other sailors killed

As breakdowns go, it was about as disastrous as they come. Early on Wednesday morning, a small submarine of the North Korean navy ran into serious difficulties in the Sea of Japan. It may have run aground attempting to land members of its crew; alternatively it may have drifted on to rocks after a failure of power or steering. Either way its occupants were forced to abandon their craft and take their chances in the last place on earth they would wish to find themselves — 75 miles from their homeland, in the heart of enemy South Korea.

By yesterday evening 18 of them were dead, one was under interrogation, and an unknown number of survivors were holed

up in the mountains pursued by reconnaissance planes, helicopters, and thousands of South Korean soldiers and police. On the face of it, the latest incident looks like just another skirmish in the Cold War stand-off between the Communist North and American-backed South, which has divided the Korean peninsula since 1953. But it is another sign of Pyongyang's aggression, or is it a pathetic fiasco, a symptom of a country moving ever closer to paralysis?

In South Korea, a government statement described the incident as "not only a grave violation of the Armistice Agreement but also a direct threat to the national security of the Republic of Korea". President

Kim Young Sam called it "a sort of armed provocation, not a simple dispatch of agents to the south".

But the operation bears all the hallmarks of an almighty cock-up rather than a cunning military exercise. The full details have yet to filter out through the South Korean information machine, but the submarine was apparently abandoned in a great hurry — guns and ammunition were left on board — and 12 of those who died appear to have shot themselves in a suicide pact in order to avoid capture. One of the captives, Lee Kwang Su, 31, told his interrogators the submarine lost power after leaving its home port of Wonsan, and drifted into

South Korean waters. If it was on an espionage mission — to drop off or pick up undercover agents — it was spectacularly mishandled; television pictures yesterday showed the 110ft submarine bobbing helplessly among the rocks like a washed-up plastic bottle.

The fiasco has handed a propaganda victory to the government of Seoul, which reinforces its self-image as the victim of a deadly Communist aggressor. For 43 years, successive South Korean leaders have used the threat of aggression from the North as an excuse to impose draconian restrictions on civil liberties. When South Korean commandos killed 200 pro-democracy protesters in

Kwangju in 1980 it was the threat of an opportunistic North Korean attack which was used as the justification. Even under President Kim, the first Korean leader with a purely civilian background, the anti-Communist National Security Law has been used to imprison hundreds of trade unionists, academics and students peacefully opposed to the government.

But over the last year, the image of North Korea as a predatory bogeyman has become less convincing. After five years of economic collapse and disastrous floods last year, parts of the country are close to starvation. On a visit to the North Korean city of Sonbong last weekend, I saw rough, partial-

ly unsealed roads, rusting ships, decaying industrial plants and an antique power station. The million-strong Korean People's Army may, as Seoul frequently alleges, be salting away supplies of food and oil for itself, and there remains the nagging fear that it possesses a handful of chemical or even nuclear warheads within lobbying range of Seoul. But any North Korean attack would be a suicidal undertaking, carrying the risk of massive retaliation by South Korean and American forces.

"There is no foreign military presence in our country," Kim Jong U, Pyongyang's international trade envoy told *The Independent* in Sonbong on Sunday. "South Korea contains

US troops and nuclear warheads. Outsiders are spreading the rumour that war will come from our country, but this is pure nonsense."

Sympathy for this view appears to be growing in the South, at least among the urban young. Last month, 5,000 students took part in violent demonstrations at a Seoul university calling for reunification with the North. But the realities of reunification, which would be a complex and massively expensive undertaking, are something South Korean leaders prefer not to think about for the time being. Until they do, they will continue to portray incidents like the one this week as warmongering, rather than simply the case of a submarine — like a country — out of fuel, out of control and on the rocks.

Save the koala: put it on the Pill

ROBERT MILLIKEN
Sydney

Koala bears, it turns out, are too cuddly for their own good. They are so fond of hugging one another that their population has exploded, threatening the eucalyptus tree habitat which sustains them.

Plans were announced yesterday in Victoria, Australia's second largest state, to curb their numbers by giving them vasectomies and a version of the birth control pill. The state minister for conservation and land management, Marie Tatham, said: "If we don't face up to this issue, several areas that will suffer long-term ecological damage and koalas will starve."

The tiny bears, second only to kangaroos as an Australian emblem, have had a chequered history since Europeans arrived 200 years ago. In the last century they were hunted for their fur almost to extinction. More recently, as their colonies have revived under protective legislation, political battles have been fought across state lines over their status.

New South Wales last year tried to ban tourists from cuddling koalas because such handling is believed to cause the animals stress. The plans were quietly dropped when it was realised that Japanese tourists, who represent a multi-million dollar industry and for whom koalas are one of Australia's biggest draws, would flock instead to Queensland where there is no cuddling ban.

The average koala bear is a lazy, gentle creature that spends most of its life at the tops of eucalyptus trees, foraging for leaves at night and dozing by day. Each koala eats about half a kilogram of leaves a day.

Therein lies the problem: as Australia's human population has expanded into traditional koala habitats along the east coast, demand for eucalyptus leaves is outstripping supply.

If yesterday's plan goes ahead, wildlife officials will have little trouble administering the pill and vasectomies. The marsupials' gorging of eucalyptus oil is thought to make them "high", leaving them slow and easy to catch.

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Organic food needs the supermarket vote

Organic food and farming, like support for the Green Party, has the dated feel of Fair Isle pullovers and sandals. Despite the BSE scare, organic culture produces a tiny fraction of our national food output. Yet there is a strong case for believing that a move towards organic farming is one of myriad changes needed to secure the long-term health of the planet. How on earth do we get from here to there?

We certainly don't start at Highgrove House. Very little is ever going to be altered by faintly eccentric princely tub-thumping or condescending radio lectures by royal amanuenses such as Jonathan Porritt. Of course Mr Porritt once aspired to political office and therefore engages in the political arts. The heir to the throne, however, needs to recognise that his occasional lectures should encourage and persuade rather than irritate people, by making him sound slightly dotty, or even arrogant. He should remember, when discussing sustainable ecologies, that he owns a fleet of Bentleys and a brace of Aston Martins, among other ecologically questionable items.

There is a depressing "statism" around much of the argument over these green fields. What Ulrich Beck has called an inevitable tension between ecology and democracy seems to be resolved by backing autocracy, as if people could be forced to change

their buying and eating habits by fiat. The best way forward, in fact, would be for government to intervene a lot less. The reason why different methods of food production cannot now be costed on a level field is because of the regime of protection and subsidy. Even establishing a common basis for evaluating farmland is made well-nigh impossible by the distortions introduced by the Common Agricultural Policy. The organic camp is perfectly right to say that the economic case for crop rotation is butchered by the existence of subsidies for keeping land in production. Comparing the costs of producing apples in Worcestershire against the Auvergne (let alone in Appalachia or Western Australia) implies that we know the opportunity cost of ploughing the orchards up; government policies prevent that.

Rational analysis would require us to introduce time into calculations of costs and benefits. The case for doing so is not new but is no less strong for having been ignored by economists and compilers of national accounts for years. Like the use of roads by cars and lorries, the use of land by conventional farmers is rarely adequately costed. Privatisation of water has made it extraordinarily difficult to see, let alone control, real costs of water throughout the cycle. Polluter pays is a principle yet to be fully visited on farmers.

Policy should move to knock away the

supports. Then see what competition brings. Does organic produce taste better? Is its superior taste worth the marginal cost? There is only one way to find out. Green lobbyists habitually underestimate the sophistication of consumers. Those trips down the aisles at the supermarket are, for most people, essays in multiple factors – cost, convenience, taste, appearance and the genuine concern many people feel about their planet and their peers. Of course choice is constrained by income: poor people tend to rate price over purity. Branding also matters. If Prince Charles were more of an entrepreneur he would



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be turning us all on to the beauties of his non-BSE, organic beef. He is quite right to point out that we might not have BSE at all if we had avoided feeding cattle with the mashed-up remains of their own kind. But lament is less effective than leadership – say, by encouraging the Epicurean temperance with a few organic banquets. Making grass-fed beef Wellington fashionable would do more for the planet than a royal wardrobe full of hair shirts.

But is this faith in market somehow naive or, worse, a recipe for exploitation of ecologies and societies which are being stitched into global produc-

tion systems that benefit us much more than them? Kenyan beans, temperate fruit from tropical countries, seem to some to be unacceptable examples of how world trade is ecologically unsound; yet to others more trade seems the only recipe for prosperity in low-income countries, utilising their comparative advantage, which is the very basis of economic development. The arguments are not simple – but ultimately they will have to be presented to and acted upon by ordinary, everyday consumers.

The technological considerations which surround the use of pesticides and preservatives and, increasingly, the genetic re-engineering of produce are also complicated. Some of it may provide us with cheaper food, in a world where that may reduce the risk of starvation and disease. Equally it might be abused, and lead to BSE-type scares. All technological advance carries these different possibilities, threatening and optimistic. Doom-saying does not help sort out progress from folly.

What is at a premium in these circumstances is fact – much of it necessarily coming from the scientists and experts – but also example. People tend to live in the short term. The state of the planet demands a long view. Governments in democracies will only move when they feel people's opinions changing. The risks to us of environmental

abuse only start to shift opinion when people register it in the detail of their daily lives. Consciousness cannot be bludgeoned into change. People will start buying differently, and so induce changes in retail and production markets, as and when they feel that it is in their direct interests to do so. This is the sort of issue where, even in our politicised media and politics, there is no party line. Here is one issue where people can and must vote with the contents of their supermarket trolleys.

Bear necessities down under

Birds do it, bees do it, even cuddly koalas do it. It seems that both the people of Britain and the koalas of Australia are enjoying themselves without regard for the procreative consequences. According to the pill manufacturers, almost a million women are having unprotected sex despite the fact that they don't want babies. Meanwhile, on the other side of the world, fast and furious koala copulation has led to a population explosion. Down under the bears are getting free contraception to help them cope. Here Family Planning Clinics are facing a financial squeeze. Perhaps human beings just aren't cute enough to win state support for their sexual liberty.

LETTERS TO THE EDITOR

Britain and Europe: the sceptics reply

Sir: I do so agree with the six Conservatives who wrote to your newspaper that Britain must lead in Europe, not walk away (letter, 19 September). Sir Winston Churchill wanted a European Union and a Union of the English-speaking peoples, with Britain belonging to the second of these bodies. Events have moved on since then.

The way for us to have real influence in Europe is to offer an alternative to Chancellor Kohl's scheme of political, monetary and economic union. We should seek a Europe of Nations, as the Government's White Paper proposes. We should reinforce the Foreign Secretary's warning that currency union is set to divide the Community, creating new rows and tensions. We should insist that Europe's politicians tackle the Continent's main problem, the crisis of mass unemployment.

Britain has a lot to offer in the debate. It is our policies of flexible exchange rates, lower interest rates and lower taxes which are delivering success in the battle for jobs. It is the EC's policies of rigid exchange rates, monetary tightness preparing for union, higher taxes and the Social Chapter which are destroying jobs on the Continent.

Most Conservatives do not want Britain to turn in on herself. We are not Little Englanders. We know that Britain must live by trading with the wider world. We need trade and friendship with Western Europe as well as with Asia and the Americas. Now is the time for Britain to show decisive leadership in Europe. It is time for Conservatives to shape Europe for the better. That requires less government from Brussels and an economic climate suitable for enterprise.

JOHN REDWOOD MP
(Wokingham, C)
House of Commons
London SW1

Sir: While there are few who would doubt the sincere commitment of Sir Edward Heath to the European Union cause or his personal integrity, we believe that the signatories to his letter (19 September) should ask themselves whether it is tolerable in a democratic society for economic management and control to be transferred to a central bank in Frankfurt without the people being consulted.

As Britain saw to its great cost during the ERM episode, artificial exchange rates are simply a recipe for unemployment and excessive borrowing; and as we should also be aware, the tragic and growing levels of unemployment in the EU appear to stem significantly from a commitment to such artificial exchange rates.

Although the views expressed in Sir Edward's letter now appear to be very much minority opinions, it cannot be denied that there are deep divisions on the issues within the Conservative Party. Surely the right answer is to accept the basic principle that the nation belongs to the people and to nobody else. As democrats, we would appeal to Sir Edward and his colleagues to accept that the only answer to the divisions, which would undoubtedly also be reflected within any future Labour government, is to pass legislation to give the voters an opportunity of deciding whether they wish to continue with Euro integration, to seek to abandon it, or to endeavour to secure a separate relationship with the EU.



It is rather unfair and insulting for Sir Edward's supporters to refer to the views of Eurosceptics as being those of "little Englanders". We regard our stance as being that of Conservatives seeking to secure our position in a world trading situation rather than as participants in a protectionist, costly and bureaucratic Brussels enterprise denied democratic control.

Sir TEDDY TAYLOR MP
(Southend East, C)
Sir RICHARD BODDY MP
(Holland with Boston, C)
RICHARD SHEPHERD MP
(Aldridge Brownhills, C)
House of Commons

Sir: Not all opponents of EMU or the European Union advocate walking away from Europe. Indeed all such have an obligation to advertise its nature, operation, and effects. All three are supranational; over time they will suppress any remaining genuine international element.

Lord Howe has said we should not "lock ourselves out of the debate" on EMU. Is "sign up or shut up" appropriate language within any democratic community? As the rules of this unique Community-Union show that it is centralist, authoritarian and unitary – already well beyond the feared, and disclaimed, federal. Even the vaunted democracy is non-operative. Current or future electorates cannot, in practice, obtain objectives or aspire to legislation contrary to the complex terms of Union treaties or laws. These unhappy facts must be demonstrated clearly to all our European friends. Your signatories, having approved all three treaties without mandate from people, Parliament, or even

their own party cannot easily do so, or deny the constitutional truth. Let us applaud the risks that some of them, and others of their generation, took to obtain pan-European freedom in the war of 1939-45. At the same time we must deplore and unmask the fallacies of their adopted means of ensuring peace and concord into the 21st century. Unfortunately its effects are more likely to impede, or even destroy, the attainment of its highly advertised purposes.

NIGEL SPEARING MP
(Newham South, Lab)
House of Commons

Sir: I read with intense interest the letter from the six illustrious Conservative leaders. I cannot help offering a footnote.

In 1950 I visited Dr Adenauer, then Chancellor of Western Germany. I was Minister of Civil Aviation at the time but I got to know him quite well when I was Minister for the British Zone in 1947-48. He urged me to beg the British Prime Minister, Clement Attlee, the British Foreign Secretary, Ernest Bevin, and their colleagues to join the Franco-German coal and steel pact, then in the process of formation.

I think that he overestimated my influence, which was not great. My submission to the government leaders when I got home was brushed aside. A high Treasury official wrote a crushing memorandum opining that to join Europe at that stage would be to tie ourselves to a corpse. The Labour government missed the bus then, but so did the Conservatives for a

good many years after they came into power in 1951.

FRANK LONGFORD
The Earl of Longford
House of Lords

Sir: Your leading article of 17 September tells us that leaving the EU "would be extremely damaging". Well, it might be: then it might not. One of the problems with the so-called EU is that nobody knows what it is or where it is going: what is now called the EU is little more than a rebranding of the EC/Common Market.

One of its better kept secrets is that it is meant to rest on three pillars, of which only the EC is anywhere near completion. The other two pillars, foreign and security policy, and justice and home affairs, are still mere bureaucratic sketches on the backs of envelopes. In view of the difficulty of trying to form a common view on such things as Bosnia and the Middle East, and the likely reaction of British voters to any further intrusion of Continental legal and policing practices, as well as the problems a single currency might bring, small wonder that we hear little of them.

Since what we have now is quite different from what was offered at the 1975 referendum (for instance, the official information pack told us that European law would only be "for a few commercial and industrial purposes") it is time that we had another referendum, not confined to the currency issue – and this time with accurate information on what we are being asked to vote for. Certainly if the EU were a company

floated on the 1975 prospectus all the directors would be in jail by now.

JOHN PARFITT
Painswick, Gloucestershire

Sir: There is no need for any voter who demands a democratic voice on our future in Europe to embrace the wilder shores of British politics in the shape of Sir James Goldsmith and his Referendum Party (leading article, 17 September). The Liberal Democrats have long been committed to holding a referendum on the implications of possible further European integration. We firmly believe that the electorate has a right to be directly consulted on an issue of such major constitutional importance.

The Referendum Party should be seen for what it is: a vehicle for extremist anti-European sentiment. It is the Liberal Democrats to whom the other two main parties should look for a lesson in democracy.

CHARLES KENNEDY MP
(Rosa, Cornwall and Skye, Lib Dem)
Liberal Democrat Spokesman on Europe
House of Commons

Sir: The Conservative "Grandees" letter, plus the constant bickering between old and new Labour, illustrate the need for proportional representation. It would allow a saner split in both Conservative and Labour parties and it is easy to speculate on the hard-right, moderate and hard-left groupings that would ensue. It would certainly solve my problem: I am a lifelong Conservative but loathe the politics of Portillo, Redwood and others.

G F STEELE
Ipswich

Esther Rantzen's porn paradox

Sir: Esther Rantzen, in supporting the censorship of Mapplethorpe's photograph *Rosie* (Letters, 18 September), unwittingly generates a paradox. She suggests that you ought not to criticise photographs unless you have seen them. Having seen *Rosie*, she believes the photograph to be exploitative and pornographic and that therefore it should not be on public view.

If Ms Rantzen is right that photographs should not be criticised until seen, she is seeking to ensure that I and others are in no position to criticise *Rosie*. Being critically important in this way, I and others should therefore offer no support for her criticism of the photograph and hence no support for the censorship.

PETER CAVE
London NW3

Sir: I thought that it was a criminal offence to send pornographic material through the post. If it is, Esther Rantzen appears to have chosen an interesting method to prove or disprove her case.

P HAYS-NOWAK
Sayers Common, West Sussex

Sir: The attitudes discussed in "Photography and the new censorship" (12 September) fall short of the pinnacle of absurdity. A local friend took photographs of a nude person – her grandchild – being weighed at the age of a few hours.

The film processor knew his duty: he blacked out the child's genitals on all the pictures.

TOM MEYER
Lostwithiel, Cornwall

Only fairness can save Tories

Sir: I agreed very strongly with many of the Prime Minister's points in his address on moral issues ("Major ventures into the moral maze", 19 September). I fully support his courageous efforts to revive the party's fortunes. We have been lucky in having a leader with a consistently higher poll rating than the party he leads. However, therein lies the basic problem which Tories have to face up to with the same kind of courage that John Major has shown over the years.

The ominous conclusion from so many years of a strong right-wing bias in leading policy areas cannot be denied; inevitably such socio-economic programmes simultaneously create the unfair society unless governmental action corrects this trend.

This is sadly what we have now reached. Vast numbers of moderate fair-minded people in Britain feel vehemently that Thatcherism has led to a modern society of gross unfairness and inequalities. These are steadily undermining what was once our green and pleasant land.

The grotesque contrast between unemployed and low-paid citizens engaged in a desperate struggle to survive and senior directors' prolonged obsession with their own huge remuneration packages is one such image. There are many other painful examples.

In abandoning the one-nation principle the Conservative Party has overlooked two vital truths: the state exists to help the defenceless; and the Thatcherite creed that nothing matters except making money causes the collapse of the fair and balanced society.

If you add the serious misuse of public assets for private gain that occurs in such examples as railway privatisation the total picture remains bleak indeed.

At this juncture references to reducing direct taxes for better-off citizens and even abolishing their capital tax obligations is ruthlessly careless of society's overall good.

Meanwhile the Cabinet still has its chance to move away from extreme right-wing policies and avoid the smashing defeat which is otherwise facing our party at the next election.

HUGH DYKES MP
(Harrow East, C)
House of Commons
London SW1

Sir: Mr Major says: "I do not want personal choices made for me by the state." What he and his party do not understand is that for most of us there are many choices which we cannot choose to make unless the state helps us to do so. To take a topical example, many people want to choose to go to university but some of them cannot afford to make that choice unless Mr Major will fund universities well enough for them to go to university without incurring debts of £20,000. If Mr Major really believes in freedom of choice he must put his money where his mouth is.

EAD RUSSELL
Liberal Democrat Social Security Spokesperson
House of Lords
London SW2

Sir: I trust Gillian Shephard is keeping up with events and the syllabuses at schools and universities will be promptly updated. As John Major has indicated, morality should clearly be taught as a branch of economics rather than philosophy or religion.

ROD LAWSON
e-mail: lawson@qnapo.ox.ac.uk

essay

Twenty-five years of Ireland's Dr No

Ian Paisley is not a religious politician, but a fundamentalist who is in politics. And his fierce belief probably means that Ulster can reach no agreement while he is on the scene, says David McKittrick

Next month marks the 25th anniversary year of the Democratic Unionist party, the grouping fashioned by Dr Ian Paisley as a weapon to ensure that Protestants and Catholics in Northern Ireland should not reach an accommodation. It has served brilliantly in its mission of helping to keep the two traditions apart. Today, at the age of 70, Paisley is in the thick of the multi-party talks at Stormont, as fundamentalist as ever, as central as ever to the Northern Ireland political scene, and once again an obstacle to agreement.

Ian Paisley was ordained a minister in the 1940s. By the 1950s he was figuring in bitter religious controversies; by the 1960s he had become a formidable street demagogue. Age may be slowing him down a little, but his record of 26 years in the House of Commons, and 17 in the European Parliament, serves as a standing rebuff of the proverb that travel broadens the mind.

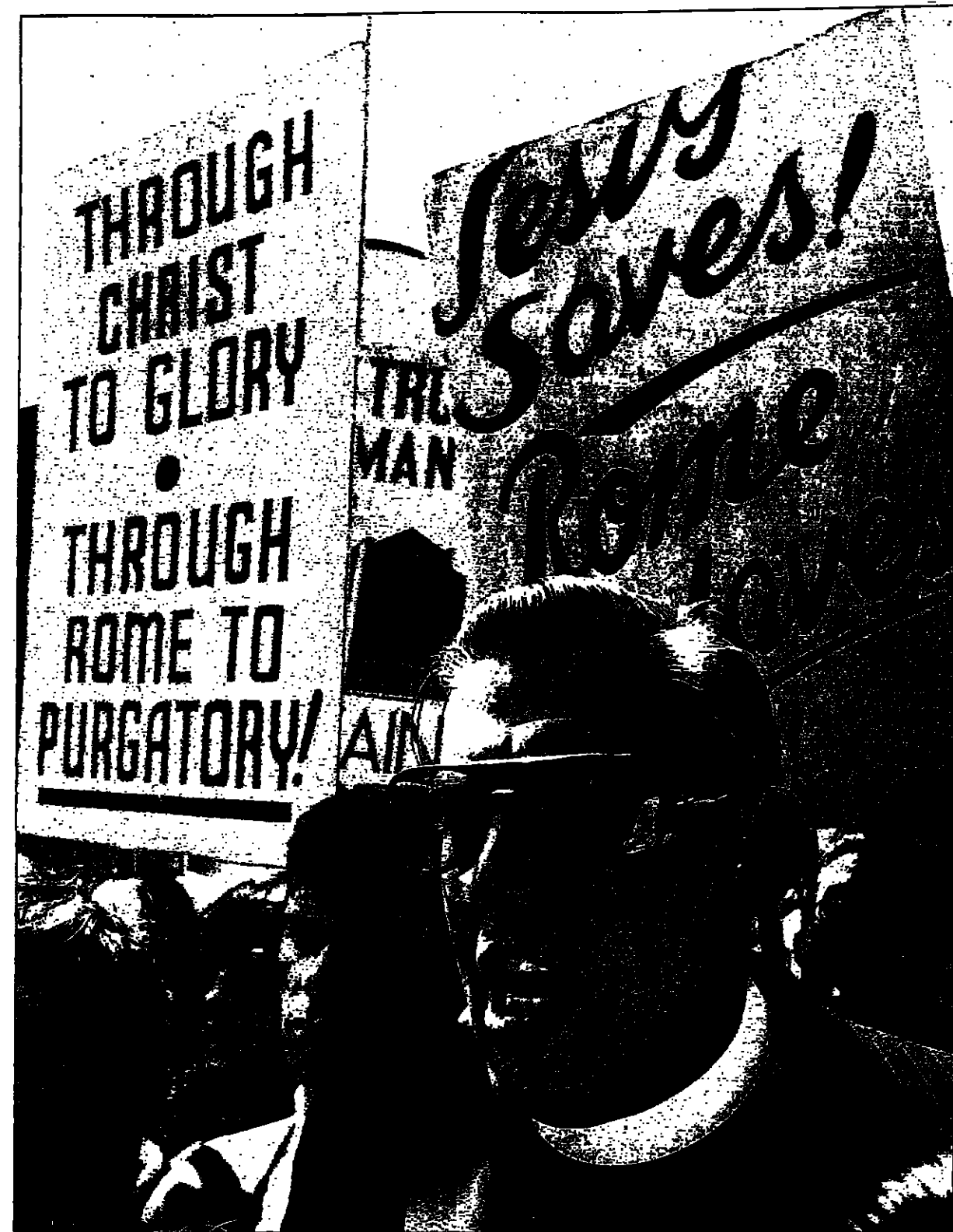
He still says today what he said in the 1960s: that Ulster is in peril from the IRA and the Vatican, that the Protestants cannot trust British governments, and that they must act to safeguard their heritage. The tragedy is that one of the brightest, most subtle and most perceptive minds of his generation should have opted, at every key juncture in his long career, for confrontation rather than accommodation.

It has been an extraordinary career – in politics, in the pulpit, on the streets, in jail (twice, for protesting); a career packed with incident and drama, with a thousand demonstrations, walkouts and calls to arms. The reason why Ian Paisley is the "Dr No" of Irish politics is because he is not a politician with a sideline in religion; he is a fundamentalist evangelical minister who is in politics.

In his memoirs Maurice Hayes, a retired Catholic civil servant who has known Paisley for more than three decades, gives a thumbnail sketch of this multi-faceted character. "I have often thought there are about six Paisleys," writes Hayes. Two of them are very nice people, two quite awful, and the other two could go either way. What I have to report is that he never told me a lie, never breached a confidence, and ... he worked unceasingly for all his constituents regardless of religion.

"True, he could be, and was, a rabble-rouser. He very often filled the atmosphere with an inflammable vapour that other people could and did ignite. He did not, I think, use his church as a platform to gain political power. Rather, he entered politics to secure the fundamental religious values to which he is attached."

The Free Presbyterian church, of which Paisley is moderator for life, has a much smaller membership than the votes he amasses, but it is the core of his being.



His preaching style is melodramatic and much concerned with Catholicism. His vocabulary is unchanged from the days when James Callaghan accused him of "using the language of war cast in a biblical mould". Congregations continue to be bombarded with talk of the Papal Anti-Christ in the Vatican, the maws of Rome, the mother of harlots, the blasphemous mass, and warned of Irish Catholicism's "continuous and concentrated campaigns to eliminate the Protestant community."

Donald Soper once called this style cabaret, describing Belfast as a city of many religious nightclubs. It is certainly true that many of the old dears who come to see Paisley clearly enjoy the service hugely, to the extent that it can seem as much entertainment as worship. Tape recordings are available at the end of each service.

It is also true that Paisley's technique of thrilling and frightening his listeners with the demonology of Rome, along with the fear of damnation, can lead to him being viewed as an evangelical Protestant version of Vincent Price. But it is a fundamental error to conclude from his theatricality that his religion is not genuine.

Nothing could be further from the truth. He is remarkably learned in his theology. His Protestant faith is deep, sincere and unshakable: so too is his conviction that the Pope is in

league with the devil. He told Pope John Paul II that to his face, confronting him on a visit to the European Parliament by shouting "I renounce you as the Anti-Christ."

He once outlined his philosophy to his flock in his huge Martyr's Memorial church, the Belfast headquarters of a church that has branches in England, the Republic and Canada: "You've got to take your stand, you know. There's not going to be any compromise. If you compromise God will curse you. If you stand God will bless you. That's why God has blessed this preacher and this church."

As in religion, so in politics. When he looks at non-Unionists in Northern Ireland he sees not nationalists or republicans but, primarily, Catholics. He puts his religion before his politics – and indeed higher than the crown, for he has made it clear that if the British monarchy ceases to be Protestant then his loyalty to it will cease.

It is small wonder, given this deep-seated aversion to compromise, that he has caused so much grief to British politicians who have dealt with him.

Reginald Maudling, a former Tory Home Secretary, found him "one of the most difficult characters anyone could hope to deal with. I always found his influence dangerous." William

Whitlaw, a former Northern Ireland Secretary, marvelled at his "unrivalled skill at undermining the plans of others. He can effectively destroy and obstruct, but he has never seemed able to act constructively." James Prior thought him "basically a man who thrives on the violent scene. His aim is to stir the emotions of the Protestant people. His bigotry easily boils over into bombast. Meetings Paisley held with Margaret Thatcher and John Major have ended close to uproar."

It is an indication of the complexity of the man that Maudling, Whitlaw and Prior, while criticising him so sternly, also commented wondrously that in private he could be charming, friendly and engaging. Part of the exasperation of British ministers springs from his proficiency in the politics of alarmist denunciation, for he continually portrays British governments as conspiratorial and treacherous.

But another reason is the charge that Paisley has aggravated already dangerous situations. One ex-minister said: "It's all very well to say he's giving voice to genuine Protestant fears and worries, but it's more than that. He feeds the paranoia and reinforces it. He amplifies it."

A frequent criticism centres on his recurring forays into the murky underworld of extreme loyalism, when he goes beyond rhetoric and makes an alliance

with men in masks. In doing so he has displayed less consistency than he does in matters religious. In 1974, for example, he co-operated with the largest paramilitary group, the Ulster Defence Association, to stage a loyalist general strike. The following year he denounced them as loyalist killers engaging in crimes "just as heinous and heinous as those of the IRA". But two years later, in 1977, he was back in alliance with them to stage another stoppage.

Up to a dozen times over the years, Paisley has urged Protestants to form a "third force" to take on the IRA. Sometimes these calls have involved shows of force: in 1986, for example, 4,000 men, many masked, staged a nocturnal parade through the County Down town of Hillsborough.

On another occasion journalists were brought to a County Antrim hillside at dead of night, to find 500 men drawn up in military formation, brandishing pieces of paper. Paisley explained these were gun certificates, declaring: "I will take full responsibility for anything these men do. We will stop at nothing."

Critics say such behaviour can help to provoke impressionable Protestant youths to join paramilitary groups and become involved in actual, rather than rhetorical, violence. There is evidence that he can have a similar effect on the republican side.

In the 1970s a Protestant minister asked IRA leader Dáithí Ó Conaill about a rumour that the IRA would try to kill Paisley. He recalled: "Ó Conaill just simply told me: 'There's no way we would kill Ian Paisley. Paisley is the best recruiting sergeant we've got.'" Ó Conaill said of Paisley's threats that the Protestant people would take the law into their own hands: "When the Catholic community hears that, a chill goes down the spine of every Catholic in west Belfast, and after that we have no trouble in getting volunteers, safe houses and money."

There have been few occasions where Paisley has surprised and unmoved opponents by taking an unexpectedly moderate line. With hindsight, however, these can be seen as tactical sallies to eat into support for the Ulster Unionist party, the largest Unionist party.

The fact that it is the largest Unionist party is one of the banes of Paisley's life, since it means that his own Democratic Unionist party is forever number two. Yet the gap between the DUP and the UUP is not as big as people assume; and herein lies Paisley's deeper political significance.

Because David Trimble's UUP has nine Westminster MPs while Paisley has only three, many casual observers tend to assume that the DUP is something of a fringe element. The statistics confound this. In Westminster elections Paisley takes on average 12 per cent of the vote, but this is not a true measure of his support, since in these contests many Unionist voters cluster around the UUP as the party most likely to win seats.

When the results of other elections – for councils, assemblies and Europe – are analysed Paisley's support soars. In this year's forum election Trimble took 46 per cent of the Unionist vote; Paisley took 36 per cent and a close associate won another 7 per cent. Paisley voters are by no means all evangelical, but they are certainly voting against compromise.

In other words Paisley is not some peripheral phenomenon: he can in fact credibly claim to speak for four out of every 10 Unionist voters. This level of support is not enough to take control of Unionism, but it is certainly enough to exercise a powerful inhibiting influence on the Ulster Unionists. Any Unionist leader contemplating an accommodation with nationalists knows that doing so would produce a furious Paisley onslaught.

To put it at its bleakest, Paisley's level of support, together with his forcefulness and political skills, may well be enough to ensure that, as long as he is on the scene, there will never be political accommodation between Unionist and nationalist. His lifelong preference for conflict over compromise means he would regard this as a victory for his fundamental religious values, and doubtless means he will be proud to have that as his epitaph.

IN THIS WEEKEND'S INDEPENDENT ON SUNDAY



He's one of Britain's wealthiest men, but Phil Collins (right) still claims to be 'an ordinary bloke from Hounslow'. In an unusually frank interview, he talks to Cole Moreton about love, money and fame

Plus: Lee Marshall observes Jane Campion in Italy, and John Wells visits London's Fashion Café

and in real life

Booze and balls: why do so many soccer stars fall for the bottle? Plus: Her Royal Hurr-ness – Hester Lacey interviews Cilla. Brown studies: how to wear the new black. And the Critics: the week in review and the week ahead

A RUM FAMILY AFFAIR

The Bacardis enjoy riches, glamour and a spectacularly successful global business. So why is this proud Cuban dynasty tearing itself apart? John Carlin reports on an unseemly feud



True or False? Great ideas that died



Miles Kingston

The twentieth century has been shaped by a succession of beliefs and credos that have had tremendous influence on us all and then been proved to be false. Beliefs such as Soviet communism. The belief that the Tory party is the party of tax cuts. The belief that electrical goods made in Japan have comprehensible English instructions provided with them. The belief that if you start a part-work history and give away instalment Number Two

then people will buy Number Three ...

Today, as it happens, I am starting a new part-work history, and by incredible chance it is a collection of Beliefs and Credos that have had Tremendous Influence on us all in The Twentieth Century and then Been Proved to be False. What is interesting is that all the false ideas and beliefs I bring you today are still believed by most people!

So here we go, with Part One of A Hundred Great Ideas That Have Shaped Our Century Even Though They Were Non-Starters.

1. The idea that adding "Le" to an English word makes it French. "Le Shuttle" means nothing – there already is a good French word for shuttle and it isn't "shuttle" and anyway it should be "la shuttle" if anything. Le Crunch in apple advertisements – who are they kidding? "Le car" in car ads – do they know that "le car" in French already exists? And means "the bus"?

2. The Tory belief that if you preach the value of giving people the right to choose, this automatically

means that there are things worth choosing from. If I have the right to choose my child's school, and there are no good schools, what price choice? To put it even more plainly, if I have the right to choose at the ballot box, and my choice is between Labour and Tory, is it worth having a choice? And what price democracy?

3. The belief that if something is light it is easy to lift, but that if it is "lite" it will help you get slim.

4. The belief that anything in a hotel bedroom is yours to take away free. This light-fingeredness on the part of guests has led to a radical rethink in hotel bedroom design, even down to keys, which now tend not to be heavy metal items but light computerised cards which cannot be re-used. Hotel hangers have been made useless anywhere but in the hotel cupboard. Everything else has been made too small to be tempting (soap, shampoo sachets, bottles in mini-bars) or too foolish (eg. shoe-shine papers, courtesy shower caps).

5. The belief that the new computer culture will lead to better design. Nothing could be worse designed and cluttered than the cover of the average computer magazine. God knows what the contents are like.

6. The belief, very common among even experienced passengers, that if you jump to your feet when the plane comes to a stop you will get off quicker. All that happens is that you stay on your feet for ten minutes, unable even to get back to your seat. If by a miracle you do get off quicker, you only have to stand longer in the terminal.

7. The belief that you have to go away from home to be on holiday.

8. The amazing belief, sincerely held by petrol companies, that motorists prefer one brand of petrol to another. (They must believe it, else they wouldn't do all that advertising.)

9. The belief that the pace of life is big cities is much faster than elsewhere. Actually, it's much slower, because of the crawling pace of traffic and people's unwillingness to walk. The reason that city life seems rushed is that people are

always delayed by the slowness of city life and late for something else. The symbol of city life is a man standing still on a street corner, idly chatting into a mobile phone, the modern equivalent of a country yokel chewing a bit of straw.

10. The belief that an information explosion is the same thing as a knowledge explosion.

11. The belief that sex education is more important than love education.

12. The belief in Britain that anyone in America is aware that there is a special relationship between us.

13. The belief that fashion and style are the same thing. Not only are they not the same thing, they are actually complete opposites. Fashion changes all the time, style stays the same. If you've got style, you don't need fashion. In Quentin Crisp's words "Fashion is only for people who don't know who they are".

14. The belief that if you leave washing-up without rinsing it, the taste of washing-up liquid will magically vanish.

More great wrong-headed notions of the twentieth century coming soon!

هذا من الاصل

A better society and lower public spending

Nobody now seems to love the state. John Major has just committed the Tories to cutting state spending as a proportion of national income, from 42 per cent to 40 per cent. Tony Blair promises that new Labour will not be a tax-and-spend government and repeatedly attacks the Tories for failing to deliver on their promised tax cuts. So two experienced politicians know where to pitch their competitive tenders for our votes: we do not, they judge, go a bundle on big government.



Hamish McRae

It can be done. A left-leaning Labour government could compete with the Tories in the small government stakes, and still be true to its values

It's an interesting switch from the rhetoric of the last three elections. Then the Tories focused on tax cuts but Labour stressed the quality of services from higher public spending. But it's a switch that carries dangers for both leaders. For Mr Major the charge is that he talks about smaller government but does not deliver, that he is all mouth and no trousers. For Mr Blair it is that, sure, Labour won't be a rabid taxer and spender, but it will be more taxer and spender than the other lot.

"Small government" is a clear message even if the delivery mechanism is suspect; it's certainly clearer than "not quite such big government as you expected from what we said last time." The Labour leadership knows it is in a bind over tax, but in reality it's in a bind over something even more fundamental: Labour needs to find ways of achieving its social and economic ends which do not involve a higher proportion of GDP going through the state. We've become so accustomed to the idea that parties of the right favour small government and parties of the left want big that the idea that it may be possible to achieve the goals of the left any other way seems ridiculous. Yet there's no necessary reason why a left-leaning government should not work towards a decent, reasonably egalitarian and humane society at a much lower level of public spending than now.

The responsibility of the government is to protect the disadvantaged. But to see that they receive decent services does not mean that the government has to manufacture those services itself. That surely is the gigantic opportunity for Labour: create a new welfare state that does not rely on high public spending, something designed for the world as it is now, rather than the world as it was 50 years ago. How might that be done?

There are two broad paths forward and Labour must take both. One is to cut the size of the problem by encouraging people who are able to look after themselves not to require other taxpayers to do so for them. The other is to find the most efficient way of providing a service, which may or may not involve the government doing it itself.

You can see Labour tipping down the first path: the idea of some kind of compulsory saving scheme for boosting retirement pensions, or the proposal to trim benefit for families with 16- to 18-year-olds in full-time education. But a government really anxious to redistribute wealth could go much further. It might, for example, require families with high incomes to contribute something towards their children's schooling costs. Universities could charge the well-off students for tuition. While most health care would remain free at point of use, patients who could afford it would be expected to make some contribution towards treatment, perhaps through a compulsory insurance scheme. This would be a very different welfare state, but there's no reason why it should not be just as effective – preferably more effective – at helping those most in need.

The second path is the drive to efficiency. Large companies all over the world are relentlessly trying both to contain costs and drive up the quality of their service. As a result these companies are continually reorganising the way they work. They out-source and they cut their own labour force, but they also start new divisions and buy new businesses. Often such reorganisations are unsuccessful, but the overall effect is to drive up productivity, the building block of higher living standards.

All this is done as a result of practical, political decisions. Companies reorganise not because their ideology tells them to, but because they hope that it will result in a better service at a lower cost. Public sector reorganisation, by contrast, has been driven by politics. The great opportunity for Labour is that they can start here with some element of trust.

All this may seem very foreign, very different from the platform of left-leaning governments, which have tended to think of public spending as the cure for social problems. But suppose you could cut public spending not just to the 40 per cent of the GDP cited by Mr Major, but say to the 33 per cent of Japan. Then you could, for example, abolish income tax for everyone with below-average earnings. Gordon Brown quite rightly has identified the need to cut taxes on the low paid and has promised a new lower tax rate for them. But why bother with the admin cost and complication of taking 10 per cent of the income of relatively poor people? Far better that they should pay no income tax at all. The black economy and the poverty trap would largely disappear.

If this sort of programme seems too radical for Labour, let the leaders ponder this. If only they could cut back public spending, the left could be tax-cutters too – except that they would cut taxes for the poor, not for the rich.

Charles: King of the Legumes

By Suzanne Moore

Prince Charles may be a free man, newly liberated from his actressy scheming wife but some things don't change. His first post-divorce speech was a dirge about organic farming delivered to the Soil Association. A worthy subject for the man who would be king, perhaps, though, even his admirers might have to admit, not the most exciting. Still Charles presses on with his various causes which flow into one vast cause called turning the clock back. Charles has never been at home with modernity though he denies living in the past. We should, he insists, learn from the past and adhere to timeless principles; timeless principles which, presumably, include hereditary privilege as well as the "fertility-building regimes using legumes" that he spoke of last night.

I cannot be alone in feeling that Charles's grasp on reality, never strong, is slipping. Put it down to media pressure if you like, as some do, though for my part I think this is merely wishful thinking. He has always been fairly mad. Like the obsessive at the bus stop he feels that his preoccupations are worth thrusting upon the nation when they are not. He has been encouraged to believe that his vague meanderings on a variety of subjects are a valid form of self-employment. Why doesn't someone tell him that if we wanted to hear a speech by Jonathon Porritt we would go to the man himself.

Porritt, one of Charles's advisers, is surely responsible for some of the more technical aspects of the speech. Other ramblings about Nature and a Sense of the Sacred must be Charles's own special creation. As always, what Charles feels in some abstract way doesn't work out in practice. His passion for organic farming does not extend to helping his tenant farmers at the Duchy of Cornwall, who need their rents reduced in order to make the expensive transition to organic farming workable. Can the Prince simply not afford to put his principles into practice, or is he simply ignorant of the way his land is managed?

A long passage of the speech is devoted to his worries about GMOs – that's genetically modified organisms for the uninitiated. "Of course, biotechnology, release of GMOs, call it what you will, is a particularly emotive subject, and I do not intend to stoke those emotions tonight." What emotions? The fact is that the Prince himself is a genetically modified organism if ever there was one, selectively bred in order to simply go on sustaining his kind. He even quotes the government Panel on Sustainable Development, "Once released, a GMO cannot be recalled: the action is irreversible." Terrifying.

It is hardly surprising that the current focus of Charles's obsessions should be sustainable development and genetic engineering. He is after all part of the Way Forward group which meets in order to produce a strategy to preserve the



Prince Charles exhorts us to renew our relationship with the planet, but he seems to have severed all connection with it himself

monarchy. Genetic engineering makes him nervous possibly because it is too close to home. We should, he warned us, fear the consequences of introducing self-replicating organisms into the environment. Believe me, Charles, we already do. It may be as boring as one of his speeches to keep pointing the finger at his hypocrisy. Yet the reason that we cannot take seriously Charles's claim to the moral high ground is because if he ever caught a glimpse of it, he would immediately denounce it as some newfangled carbuncle that was spoiling the

view of his beloved countryside. While John Major tries to find a moral basis for his bumbum little policies, Charles appeals to the greater good, to the goddess herself – Gaia – to fuel his arguments. Most people, however, understand the notion of sustainability in basic terms as not taking out more than you put in. Sustainability is connected implicitly to notions of quality of life as well as equality. There is nothing sustainable about the way that Charles lives his life. He doesn't plough his vast resources back into the land. He is hardly

frugal, he does nothing to make the world a better place – unless you count these endless pontifications that give sustenance to few but are mostly regarded as like having to put up with an embarrassing uncle.

To talk of the connection between food production, health and the environment is, of course, worthwhile but we have enough experts telling us what should be done and unless the economic will is there to do it then it just can't be done. After BSE, doom-mongering may be easier than ever but it is hardly the Way Forward. Charles identifies the key moral and ethical watershed that genetic engineering has brought about and says that we venture "into realms that belong to God and God alone". This gets us precisely nowhere. Decisions are already being made all the time in these areas and we cannot simply ignore them.

Just as complicated a moral issue is the one of cheap food. Charles claims we are paying many hidden environmental costs by using intensive agricultural methods in order to produce inexpensive food stuffs. Without such methods the poor, the ill and the old could not afford to eat the things they do. Are people prepared to sacrifice short-term choice for long-term benefit? Maybe. Are they prepared to pay three times the price for their pork chops? No.

The spectacle of this bewildered millionaire talking about the possibility of increasing the price of food in the Third World surely leaves a bad taste in someone's mouth if not his. Diana may have been criticised for ambulance-chasing and homing in on hapless patients to exploit their suffering but at least she did it on a one-to-one basis. Her ex-husband prefers to think big and make everyone suffer because of it.

Charles does need to think seriously about sustainability. His own. He ends his speech to the Soil Association encouraging us to look with fresh eyes at the relationships between ourselves and our planet. But should he be for the first time in his life exhibit any degree of self-awareness he might realise that he has become discredited not just because he is in effect left his wife for his mistress, not because of vast republican sentiment but because, for all his professed concern for the planet, he appears increasingly to have severed any connection with it some time ago.

OUR SERIES ON THE PEOPLE JOCKEYING FOR INFLUENCE IN THE LATE NINETIES



THE NEW ESTABLISHMENT
Day Five:

Media

Which national newspapers will be backing Tony Blair in the run-up to the general election? By Jonathan Glancey

Tony Blair flew halfway around the world last year to shake hands and "share a joke", as caption writers say, with Rupert Murdoch, the media tycoon with the *Times*, *Sunday Times* and the *Sun* in his pocket. The "honeymoon", as the press described it, between Murdoch and Blair has been an ultimately inscrutable episode. Whether or not Murdoch will tell his editors to back Labour at the next general election remains anyone's guess, and there are many guessing.

What we know for sure is that Blair needs Murdoch more than Murdoch needs Blair, and that the *Sun*, *Times* and *Sunday Times* were slavish supporters of Margaret Thatcher and her vision of privatised and society-less Britain. Why change now?

There are perfectly good reasons to do so: not least because the rise of professional women in Britain has seen a decline in the traditional female Tory vote. Papers must increasingly woo women readers. While it is true that the *Daily Mail*, that most blimpish of all newspapers, is aimed principally at women and is as likely to back Blair as the Pope is to get married, the *Mail on Sunday*, a gentler read than its John Bullish sibling, is surprisingly sweet on Tony's Cherie.

One right-wing daily flirting with Blair is the *Daily Express*. Lord Hollick, its new managing director, is a Labour peer and was formerly on the board of Mirror Group newspapers; the *Daily Mirror* and *Mirror on Sunday* have always supported Labour. The *Express's* editor, Richard Addis, a former monk, is a zealous Tory, but already in the seven months of Hollick's involvement he has displayed clear signs of wanting to curry favour with the new boss by splattering his pages with flattering pictures of new Labour personalities.

Another initially surprising realignment is the *London Evening Standard's* steady swing from right-wing Tory to new Labour editorial. The paper has backed calls by Blair for a new elected authority, and possibly a mayor for London, as well as Lord Rogers's campaign for a radically improved urban infrastructure.

At a recent meeting between Max Hastings, the *Standard's* old-school Tory editor, and senior journalists, only one hand was

raised in favour of supporting the Conservatives at the next election. It would be very out of character for Hastings to snarl up to the new Labour mandarins, but it would make perfect sense for him to ease the paper back to the days when it represented the liberal and vaguely leftish stance characteristic of cosmopolitan London. The paper devotes much space to the lives and lifestyles of the young and incurably fash-

ionable; as these are far more likely to vote Labour than Conservative at the next election, the *Standard* could only gain by chumming up to them through its columns.

Some of this thinking can be felt at the *Independent*, a paper that has steered very much its own line through the currents of national politics, but is likely to refer a government run by Blair than by the Tories. David Montgomery, chief executive of the Mirror Group, which now owns the *Independent* and *Independent on Sunday*, is both very much a part of the new establishment and, although not close to him, a Blair supporter.

The *Independent's* editor before last, Ian Hargreaves (left), was decidedly pro-Labour and is currently editing the *New Statesman*, the left-wing weekly now owned by Geoffrey Robinson, Labour MP, one-time managing director of Jaguar Cars and millionaire businessman. If Robinson has fresh ambitions to further his position in the new Labour hierarchy, then the *New Statesman* is a useful vehicle for him. However, Hargreaves is no lackey and a strict division between ownership and control exists at the "Stagers", allowing the editor free rein. Hargreaves brought several reformed Communist writers and editors into the *Independent*, including Martin Jacques, former editor of *Marxism Today*. They are now writing for the *New Statesman* and, if sympathetic to Blair, are very much their own creatures.

True to form, the *Guardian* will support Labour, as will the *Observer* with Will "The State We're In" Horton at the helm. The *Daily Telegraph* will back the Tories, middle England and Elizabeth Hurley.

Ultimately, there are few newspaper proprietors or magazine publishers toadying up to Blair, although there are many of them who think they can see the writing on the wall and either believe, or are beginning to believe, that the politics of Blair will promote sales of their publications more than those of John Major. Except, then, a phenomenon in British publishing in the weeks leading up to the general election; for once, and very much unlike 1992, the *Daily Mirror* will not be alone in encouraging you to vote Labour.

Bring back the sound bites

You don't get many books of speeches published. Not when you're alive, anyway. Until very recently the only publisher who would touch the collected congress and tractor factory outpourings of extant politicians was Robert Maxwell. Who can forget Pergamon Press editions of the wit and wisdom of Nicolae Ceausescu, or *Les tres riches heures de Konstantin Chernenko*? British leaders, however, have desisted in the main from such stunts.

But sometimes a chap just needs to get his message across, even if he's not dead. John Redwood (undead), challenging hard for the temporarily unvacant position of leader of the Conservative Party, did it in the spring. And this week it is Tony Blair's turn. His *New Britain: My Vision of a Young Country* is 321 pages long and composed of virtually everything that Tine has said or written anywhere in the last three years.

The reason behind the book's publication is not hard to fathom: Mr Blair has often been accused by detractors and lazy journalists of being a "sound-bite" politician. This thick volume effectively refutes any such allegation, as TB reflects at great length about tax, community, education, health, Europe, socialism (oh, yes, Kim Howells, that's in there too) and much else besides. Indeed, by the end of it one is left positively lusting after sound-bites.

And jokes. It is astonishing that a man can cover so much verbal territory so fast, without ever feeling obliged to stop, take a rest, have a giggle and then

march on. Mr Blair is, after all, a chap of the Monty Python and Rowan Atkinson generation, yet the speeches and articles here read like one interminable "Thought For The Day", as delivered by a very intelligent and incredibly serious bishop. Where Neil Kinnock was famed for adding ad libs and flights of last-minute oratory to everything (including telephone orders for delivery pizzas), his successor seems to go through his own texts carefully taking anything remotely pleasurable out.

But then Mr Blair does not lay equal claim to all emotions and feelings. He probably does not have much room; for when he is being "passionate", he is being "blunt". Sometimes he is both together. Hippos making love in a flint pit generate less blunt passion than does Mr Blair over education.

If, however, you stay the course (and make allowances for the otiose language of speeches and articles for the *Daily Mail*), then a big picture does emerge. And it isn't a bad one; for it is of a man who wants to do things better, who wants a more thoughtful government, an essentially liberal man (read the speech on equalising the age of consent), who thinks we could take a bit more care of each other – a crusader for the Church Technocratic, not the Church Militant.

The dust-cover says "Tony Blair has nothing to hide". It's true; take my word for it. Then you won't have to buy the book.

David Aaronovitch

Good-bye battery



Welcome to the future: Seiko Kinetic®, the first quartz watch that turns your movement into power. Every move you make is converted into electrical impulses by a tiny built-in powerhouse. Ecological, reliable and efficient: wear it one day to gain energy for at least two weeks. Wear it daily – it will run continually. Made of titanium: light, yet strong and kind to your skin. 20 bar water-resistant. One-way rotating bezel and screw lock crown. Seiko Kinetic – It's built to last. Someday all watches will be made this way.

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OFT to launch inquiry into pensions mis-selling

NIC CICUTTI

The Office of Fair Trading announced the most wide-ranging investigation ever by a government body into the pensions industry.

The OFT said its inquiry, covering personal pensions and their relationship to occupational schemes, will be aimed at restoring consumer confidence in the industry in the wake of the pension mis-selling scandal.

The OFT added yesterday that a specific area of investigation would be that of the "potential for detriment" faced by groups such as the self-employed, women and ethnic minorities, who may be disadvantaged by the current personal pensions regime.

Pensions experts have repeatedly argued that funding restrictions mean women and the self-employed, whose earnings may be irregular and who often take career breaks, may not be building up sufficient pensions for their retirement.

The OFT investigation comes in the wake of the 1995 Pensions Act, introduced to clean up occupational schemes in the wake of the Robert Maxwell affair. The House of Commons social security select committee is also carrying out its own inquiry into pension provision.

John Bridgeman, director general at the OFT, said: "At a time when consumers are having to become more pro-active in the way they provide for their retirement, there is also increasing unease about pension

products and the selling methods employed by the industry. "People are now more worried about living too long to provide a comfortable retirement than they are about dying early."

"Our research will cover consumer experience and the structure and regulation of the industry to see what lessons can be learned from the past and what changes can be made to improve consumer confidence."

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Increasing unease: John Bridgeman believes there is public disquiet over pension products

Photograph: FT

Signet ends jewellery shops sale

TOM STEVENSON
City Editor

Signet yesterday abandoned its attempt to sell its UK jewellery businesses. H Samuel and Ernest Jones, the venture capitalist Apax after the two sides failed to agree satisfactory terms.

The failure to complete the deal, announced after the market closed last night, is a big blow for the debt-laden group that had hoped to almost wipe



James McAdam: Group will now re-examine all options

out its £306m borrowings through the sale.

Disagreement is understood to have centred on the leases attaching to the 600 jewellery shops involved in the proposed £280m deal. It is thought Apax was not prepared to offer terms that would have satisfactorily cleared Signet of any future liability on the leases. In a statement, James McAdam, chairman, said: "Negotiations have now ended. The group will now re-examine all options to

address its gearing and capital structure."

Attention was focused on the problem of continuing responsibility for leases, a complex area of British property law known as privity of contract, earlier this year when Sears had several shoe shops returned to it after the collapse of Facia, the retailer to which it had assigned the leases. Sears had to close many shops with a heavy loss of jobs. Privity of contract is understood to have been the stumbling block for the talks between Signet and Apax. An arcane but important aspect of property law, it means that, on all property leases signed before the beginning of this year, the original lessee carries responsibility for their terms even if they subsequently assign the lease to another party.

Since the beginning of this year a change in the law means that tenants can assign leases and, with certain conditions, draw a line under their exposure to their terms. The leases under negotiation in this case, however, preceded the law change and Signet could potentially have been liable for the contracts for their full duration, a risk it was not prepared to take.

Now it is resigned to keeping the two businesses Signet attempted to focus attention last night on the improved trading performance of H Samuel and Ernest Jones announced earlier this week. The UK operations returned their first operating profit at the interim stage for six years with a £200,000 profit compared to last year's £7.9m loss. In the first six months, like for like sales were up 3 per cent at H Samuel and 18 per cent at Ernest Jones.

Consumer boom gives industry a boost

DIANE COYLE
Economics Editor

The housing market enjoyed a robust month in August, according to bank and building society lending figures yesterday.

There were also signs that the consumer boom is starting to trickle down to industry, with the latest survey reporting a tentative improvement in orders.

The additional evidence of recovery will give Eddie George, Governor of the Bank of England, more ammunition in Monday's monetary meeting with Kenneth Clarke. The Bank has made plain its preference for higher interest rates to tame the spending boom, but City analysts expect the Chancellor to resist.

Mr Clarke's view found support in the absence of pressure on prices at the factory gate. According to the Confederation of British Industry's monthly survey, price expectations are flat and manufacturers have no plans to increase prices during the next four months.

Adair Turner, CBI director general, said there was no need for a cut in interest rates or taxes. But he added: "Given that inflation is clearly under control, we see no need for immediate moves to raise rates either."

There was further evidence yesterday that the economy was in no need of a boost, as new mortgage lending by both high street banks and building societies increased again last month. Building societies' net advances increased to £1.35bn, the highest level for four years, from

£1.23bn in July. The banks' lending rose to £632m from £612m, although this included the switch of lending by the National & Provincial into the banking sector following its takeover by Abbey National.

The Building Societies Association reported a dip in the number of loans approved, from 53,000 to 51,000 in August. But this remained 24 per cent higher than a year earlier.

Adrian Coles, the BSA's di-

rector general, said: "These figures provide the clearest indication that the housing market is returning to health."

The banks' lending figures showed that other borrowing remained buoyant. Consumer credit rose by £210m last month.

In addition, commercial borrowing picked up. There were noticeable increases in lending to manufacturing industry and to the hotels and catering sector by the big banks.

The increase in lending was

reflected in a pick-up in the growth of M4, the broad money measure, back above the top of the 3-9 per cent monitoring range. Its dip to 8.9 per cent in July helped ease City concerns about future inflationary pressure, but it climbed back to 9.1 per cent in August.

The recovery in demand has begun to filter through to manufacturing, according to the latest industrial trends survey from the Confederation of British Industry. The survey, published this morning, reports that orders remain weak this month, but are at their least weak since last November. Sudhir Junankar, a CBI economist, said: "The improvement in demand seen over the past few months is encouraging, although manufacturers continue to be hampered by weak exports."

The balance of companies reporting higher rather than lower orders improved to -9 per cent from -10 per cent in August. The export order balance climbed from -14 per cent to -11 per cent.

Productivity in UK falling behind

Industry leaders warned yesterday that productivity levels in manufacturing needed to improve sharply or the economy could be confronted with a new pay and prices spiral as the recovery continued, writes Michael Harrison.

The Confederation of British Industry said that latest figures showed Britain was lagging be-

hind its main competitors with a productivity improvement of just 0.4 per cent in the second quarter compared with 4 per cent in the US and 3 per cent in Japan.

Adair Turner, the CBI's director-general, said: "With few signs that pay pressures are out of control the challenge now is to raise raise our

sluggish productivity growth. "Inflation is being kept under control by competitive pressures and we haven't yet seen the skills or labour shortages which lead to spiralling pay awards. It is vital that companies now focus on improving productivity to prevent these pressures emerging as the recovery continues."

Ross Goobey attacks pension fund trustees who fail to vote

PETER RODGERS

Alastair Ross Goobey of Hermes, one of the City's top pension fund managers, yesterday attacked pension fund trustees who fail to vote at annual meetings.

He suggested they should be forced to lodge proxies declaring their intention to abstain, whenever they decide not to vote.

He also revealed that he had been approached by someone who had offered to pay Hermes to cast its vote in their interest at an agm, though he had refused the request.

Mr Ross Goobey said:

"Whether or not this is legal or ethical, we did not agree, but it does demonstrate the value of a vote."

Mr Ross Goobey did not go as far as insisting on mandatory voting at annual meetings, a policy fiercely opposed by the National Association of Pension Funds which was hosting the London conference where he spoke.

But he said: "I am more hawkish than my colleagues and believe that we should press for compulsory lodging of proxies." He believed that trustees were not acting in a proper fiduciary fashion if they failed to use their proxies.

If trustees were obliged to lodge them at company meetings "it would force them as fiduciaries to develop a coherent voting policy."

The NAPF argued in its opposition to mandatory voting that a compulsory vote was a thoughtless vote, and that it would also be anti-democratic not to allow for abstentions.

Mr Ross Goobey said: "I am not in favour of making voting compulsory. I agree that an abstention is a valid option, but this should be done deliberately, and a proxy card with abstain written on it would fulfil my ambitions."



Ross Goobey: Ambitious for a coherent voting policy

He added that last month PDFM noted in its 1996 survey of investment arrangements for pension funds that "there was a sharp increase from 17 to 28 per cent of respondents - who claim to 'always vote' at UK company meetings."

BA wastes no time in axeing 750 airport jobs

MICHAEL HARRISON

British Airways yesterday made an immediate start on its £1bn rationalisation programme by announcing the closure of its contract ground handling business at Heathrow airport with the loss of 750 jobs.

BA also hinted that if other parts of the airline under threat of closure wanted to avoid a similar fate, then employees might have to agree to wage reductions.

BA's chief executive, Bob Ayling, said that part of the reason for the closure of the unit, BA Contract Handling, was because it could not make a profit "at current rates of pay".

The business, which provides ticketing, check-in, cargo and baggage handling services for 25 other airlines at Terminals Two and Three, had suffered from consistent losses running into millions of pounds, a BA spokesman said.

"We could not see any way of turning the business around and in the end there was no future in it."

All 750 staff will be offered voluntary redundancy or redeployment within BA as part of the airline's drive to cut costs by a £1bn.

The plan, announced on Tuesday, will mean 5,000 job losses over the next 18 months

but BA has pledged to take on an equivalent number of employees skilled in customer services and languages.

Mr Ayling said: "We have examined at length both the opportunities to increase our prices to our customers and to reduce our costs of the operation but have reluctantly concluded that it is impossible, at current pay rates, to maintain BA Contract Handling as a viable operation."

Some of the business will be transferred to Terminal Four but the rest will be parceled out to rival ground handlers. The BA operation had been losing market share as a result of fierce competition from eight other contract handlers operating at Heathrow.

BA's own ground handling operations are unaffected by yesterday's announcement but they too could be vulnerable in the longer term.

Areas targeted for closure or contracting out under the three-year programme to cut costs by £1bn include check-in, baggage loading and refuelling, cargo handling, accounting and engineering.

Existing contracts being handled by the ground handling unit will be run down over the next six months and the business will close formally in March next year.

STOCK MARKETS					
FT-SE 100	Dow Jones	Nikkei	Hang Seng	Hong Kong	Frankfurt
3974.30	+18.80	+0.5	3977.20	2632.30	3.92
4427.50	+6.10	-0.1	4568.60	4015.30	2.44
FTSE 250	+6.70	+0.3	1985.80	1816.60	3.92
FTSE 350	+1.80	+0.1	2234.36	1954.06	3.04
FT Small Cap	+1.51	+0.1	1981.01	1791.95	3.76
FT All Share	+1.51	+0.1	1981.01	1791.95	3.76
FT 100	+1.51	+0.1	1981.01	1791.95	3.76
FT 250	+1.51	+0.1	1981.01	1791.95	3.76
FT 350	+1.51	+0.1	1981.01	1791.95	3.76
FT Small Cap	+1.51	+0.1	1981.01	1791.95	3.76
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FT Small Cap	+1.51	+0.1	1981.01	1791.95	3.76
FT All Share	+1.51	+0.1	1981.01	1791.95	3.76

INTEREST RATES

Short sterling*

Year	Rate
1980	5.75
1981	5.81
1982	5.86
1983	5.91
1984	5.96
1985	5.97
1986	5.98
1987	5.99
1988	6.00
1989	6.01
1990	6.02

UK medium gilt*

Year	Rate
1980	7.7
1981	7.8
1982	7.9
1983	8.0
1984	8.1
1985	8.2
1986	8.3
1987	8.4
1988	8.5
1989	8.6
1990	8.7

US long bond

Year	Rate
1980	6.5
1981	6.6
1982	6.7
1983	6.8
1984	6.9
1985	7.0
1986	7.1
1987	7.2
1988	7.3
1989	7.4
1990	7.5

*Alls last before market

9 January 1991

Money Market Rates

	1 Month	1 Year
UK	5.75	6.13
HK	5.31	5.97
Japan	0.38	0.59
Germany	3.00	3.25

Weekend's indices

Bond Yields %

	Medium Bond (%)	Year Ago	Long Bond	10 Year Ago
UK	7.79	7.84	7.92	7.92
HK	6.85	6.21	7.06	6.56
Japan	2.83	2.65	-	-
Germany	6.18	6.54	6.98	-

MAIN PRICE CHANGES

Rises	Price	Change	Falls	Price	Change	% Change	
Chrysosmelt	379	12.5	3.4	Kwik-It Holdings	233.5	10.5	4.3
Chrysosmelt	442	13.5	3.2	Hyndal Cable	101.5	4	3.9
Zeneca Group	1590	46.5	3.9	Telewest Comm	127.5	5	3.8

CURRENCIES

£/\$

Month	Rate
S	1.5509
E	1.5525
M	1.5525
A	1.5525
M	1.5525
J	1.5525
J	1.5525
A	1.5525
S	1.5525
O	1.5525
N	1.5525
D	1.5525
J	1.5525
F	1.5525
M	1.5525
A	1.5525
M	1.5525
J	1.5525
J	1.5525
A	1.5525
S	1.5525
O	1.5525
N	1.5525
D	1.5525

£/DM

Month	Rate
S	0.966
E	0.966
M	0.966
A	0.966
M	0.966
J	0.966
J	0.966
A	0.966
S	0.966
O	0.966
N	0.966
D	0.966
J	0.966
F	0.966
M	0.966
A	0.966
M	0.966
J	0.966
J	0.966
A	0.966
S	0.966
O	0.966
N	0.966
D	0.966

£/¥

Month	Rate
S	1.5942
E	1.5942
M	1.5942
A	1.5942
M	1.5942
J	1.5942
J	1.5942
A	1.5942
S	1.5942
O	1.5942
N	1.5942
D	1.5942
J	1.5942
F	1.5942
M	1.5942
A	1.5942
M	1.5942
J	1.5942
J	1.5942
A	1.5942
S	1.5942
O	1.5942
N	1.5942
D	1.5942

See last page for rates and all West September of 1988 rates

Currency	Yesterday	Change	Year Ago
£ (London)	1.5509	-0.96c	1.5942
£ (N York)	1.5525	-0.57c	1.5881
£ (London)	2.3480	-0.57p	2.2580
£ (London)	1.69369	-0.022	1.7231
Index	95.9	-0.3	84.6

Dollar

Currency	Yesterday	Change	Year Ago
£ (London)	0.6448	+0.40	0.6377
£ (N York)	0.6441	+0.31	0.6273
DM (London)	1.5140	+0.56p	1.4400
¥ (London)	109.275	+0.205	100.275
Index	97.0	+0.2	96.7

OTHER INDICATORS

Indicator	Yesterday	Day's chg	Year Ago
Oil Brent \$	21.96	-0.19	16.18
Gold \$	383.30	0.00	384.50
Gold £	247.15	-1.53	245.20

Indicator	Index	Latest Tr	Year Ago	Best Pps
RPI	158.1	2.1pc	149.8	10 Oct
BDP	107.9	0.4pc	126.9	24 Sep
Base Rates	-5.75pc	5.75	-	-

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COMMENT

Fibre optics are the shape of things to come. If Labour gets in and BT delivers on its promise to cable up every school and library in the land to the superhighway, there will be plenty of business at home.

A rights issue? BICC might even start a trend

The recent fashion has been for companies to hand back capital to shareholders rather than ask them for more – not that investors in BICC have seen much evidence of the trend lately. It is fitting, therefore, that the cables group should be one of the first to reverse the process with yesterday's call on shareholders to stump up £170m by way of a two-for-11 rights issue.

A rights issue? Now there's a novelty. With the exception of Brian Souter at Stagetech, who could probably raise money right now to put the Maxwells back in business such is his rating, it is hard to recall a single big capital-raising exercise this year.

That might seem odd since the institutions are flush with cash (some more so than others) and there has never been a better or cheaper time to issue paper, what with the Footsie hovering just below 4,000.

But it probably owes something to the new financial rectitude the investment community has imposed on prodigal businessmen. Not so long ago rights issues were more often than not devices to shore up the balance sheets of failing companies. Just think of how many times Trafalgar House tapped the markets until the Scandinavians finally put shareholders out of their misery. These days investors want to know how their money will be used before they part with it.

In the case of BICC, where the old Westland warhorse Alan Jones has been at the controls since early last year, the plan is to use the cash mainly to grow its optical fibres

business and expand in the Asia-Pacific region where growth rates and infrastructure development mean it is still possible to make decent money out of traditional high-voltage power cables. The remainder will be used as seedcorn for privately financed infrastructure projects, supplanting the Government's Private Finance Initiative ever comes of age. That does not seem an unreasonable use of shareholders' money. Along with BICC, they have been through the mill in the past two years, the shares underperforming the market by one-third.

Investors are now counting on Mr Jones to come up with the goods. Unlike the power cables business, where BICC lost its shirt and nowhere more so than in Germany, fibre optics are the shape of things to come. If Labour gets in and BT delivers on its promise to cable up every school and library in the land to the superhighway, there will be plenty of business at home. Elsewhere in the world the growth in entertainment and business data services should make for healthy demand for BICC's fibre-optics.

The punt on the PFI is more speculative but the amount being spent here – £40m – is not exactly enormous.

In any event, it is undoubtedly a better bet than throwing more cash at the contracting businesses of Balfour Beatty.

The market has thus far given Mr Jones the benefit of the doubt as he has enthusiastically set about reconstructing BICC and jettisoning its unwanted parts. Judging by the

way its shares held steady yesterday, BICC's rights issue has also been warmly received. The intriguing question is whether it is the start of a trend.

Pensions industry left scratching its head

Pensions are an enormously important area which most people do not understand, so the instinctive reaction to an inquiry by the Office of Fair Trading must be to welcome it.

After all, what could be more appropriate on the day of a momentous development in the Maxwell saga than to have the OFT take a look at how to stamp out abuses in the pensions industry.

But on a closer look at the announcement, it becomes harder and harder to understand what John Bridgeman, the director general of fair trading, is up to. Indeed, the pensions industry was scratching its head and wondering whether the affair was nothing more than a make-work project for the OFT.

The inquiry is ostensibly into the personal pensions industry. But the announcement from the OFT goes on to elaborate a series of issues to be looked at that begin to sound more like material for a Royal Commission than for a quick investigation by the competition watchdog.

For a start, the OFT is to look at benefits and drawbacks of pension provision and

regulation on a worldwide scale, in Australia, Chile, Singapore, Ireland, the Netherlands, the USA and Canada, perhaps reflecting the fact that it has hired an itinerant Churchill scholar from Australia to help in the inquiry.

The OFT is also interested in money purchase pension schemes as well as straight-forward personal pensions. But it is hard to see how it can conduct a satisfactory inquiry into this complex area without taking on a far broader remit, since many companies now offer hybrid schemes that include money purchase and traditional final salary elements.

The oddest element of it all is that the OFT is planning to look at the regulation of pensions selling. Not only is the Pensions Act due to come into force next year, bringing wholesale changes in the way funds are administered and overseen, but the Securities and Investments Board has spent several years chasing the pensions mis-selling issue.

It is in the middle of a long drawn-out campaign to force compensation out of the insurance industry, which has taken ages to cough up. One theory is that the OFT's intervention is a backdoor punishment of SIB and the industry for the slow pace of compensation.

The real purpose of the inquiry will not be clear until the terms of reference are published. But on the evidence of what has been said so far, it is hard to see why the OFT is so interested in an area already crawling with

City regulators, which spend £100m a year between them on overseeing pensions and other financial services.

Possible takeover keeps Zeneca high

Bid speculation and the Zeneca pharmaceuticals group seem to be inextricably linked to one another. Barely a week passes without another flurry of activity. While most of it proves ill-founded, the stock market would not have bid up the shares as far as it has were it not convinced that eventually Zeneca is indeed going to be bid for.

We already know that there's a little bit of fire beneath the smoke. Wellcome was second choice for Glaxo's Sir Richard Sykes. He first approached Zeneca, but was sent away with a flea in his ear. Make no mistake about it, however, he still harbours designs. And if there were a foreign bid for Zeneca, playing the national card might just allow him to get away with it – complete hegemony of the British pharmaceuticals industry.

Maybe he's now going to get his chance. Following yesterday's fresh surge in Zeneca's share price to 1,590p, the German chemicals and drugs group Bayer said reports it may bid were "pure speculation". A spokesman went on to confirm that talks had indeed taken place. Whether anyone has the money, or the stomach, to bid at the present stratospheric share price, is another thing.

Morrison to create 3,000 jobs with new superstores

TOM STEVENSON
City Editor

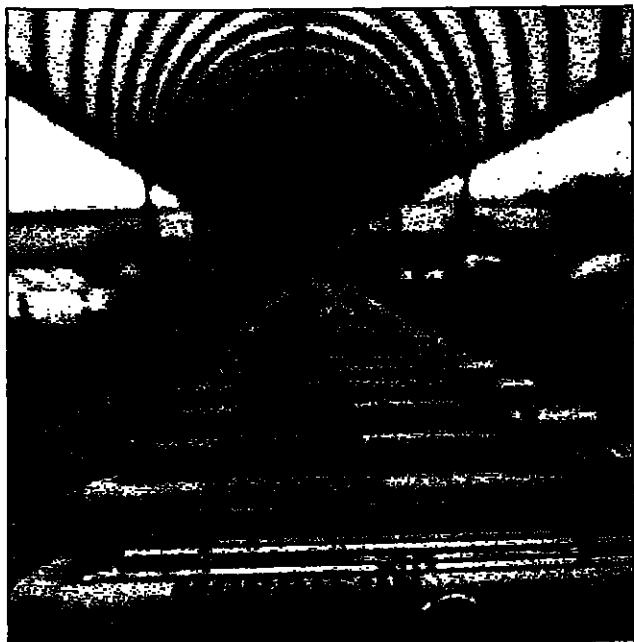
Wm Morrison, the Bradford-based supermarket chain, plans to create more than 3,000 jobs by opening four new superstores, the company said yesterday. Despite an 8 per cent rise in first-half profits, it warned that trading remained tough in the second half as pricing initiatives from the market leaders such as Tesco continued to put pressure on the second division chains.

Ken Morrison, the group's chairman and largest shareholder, said: "During the second half of the year we expect trading conditions to remain difficult and sales are unlikely to maintain the growth seen in the first six months."

The company said like-for-like sales in the six weeks since the end of the half-year rose only 0.7 per cent after rising 3.1 per cent in the first half, well below the growth seen by some of its rivals. Market-leader Tesco announced on Tuesday with its half-year results that current sales were climbing 7.5 per cent after a 7 per cent rise in its first half.

The first-half sales rise, which took turnover through the £1bn barrier for the first time, led to profits of £55.2m, up from £51.1m in the first half of 1995. The interim dividend rose 18 per cent from 0.275p to 0.325p.

Mr Morrison said: "Trading conditions have been some of the most demanding for many years. It is the first time in 20 years that the company has no new store openings and with ever increasing competitor activity, the



Trolley wars: Morrison is under pressure from big players

petrol price war and the BSE scare the group has performed well to produce an increase in turnover of 9.3 per cent.

The difficulties facing Morrison underlined the pressure being put on all supermarkets by the aggressive bid to take market share being launched by the industry's first-tier players, Tesco, Sainsbury's, Safeway and Asda. Last week Tesco launched a new initiative, dubbed "Unbeatable Value", which promised a double refund if customers find cheaper products in any other store.

Despite the pressure, Morrison said it was pressing ahead with a £100m expansion plan which would see four new

superstores opening in 1997. There will also be eight refurbishments, continuing the programme under way in the first half. Morrison had 81 stores with a total retail space of 2.9 million square feet at 4 August and operates 60 petrol stations.

Analysts said it was not clear whether the sales growth slowdown was due to refurbishments or competitive pressures. "One concern is a decline in growth in the core business but how much of that is due to the refit programme is difficult to know," one analyst said. Profits are expected to hit £135m for the full year. The shares closed 0.5p lower at 159.5p.

Europe lagging on telecoms deregulation, says BT

CHRIS GODSMARK
Business Correspondent

Sir Peter Bonfield, chief executive of BT, yesterday warned that Europe risked falling further behind fast-growing Asian economies unless Continental countries speeded up the deregulation of telephone networks.

Sir Peter was launching a campaign alongside BT's US partner, MCI, for greater competition in telecommunications markets, with research showing a good telecoms infrastructure was the third most important factor for multinational corporations when making investment decisions.

The survey conducted by the polling organisation Gallup of 327 of the world's largest businesses showed multi-media and phone links were considered more important than the quality of a country's transport network, the level of technology available or the extent of government backing.

Only political stability and the availability of a skilled workforce were ranked higher than good phone and multi-media links by the corporations questioned. BT claimed that traditional priorities for firms, such as raw materials and the cost of investment capital were being pushed further and further

down the priority list as companies sought to expand across national boundaries.

However, far more Asian businesses put critical emphasis on Telecom's links than European companies.

Sir Peter suggested this meant European firms were much less far-sighted.

In 1995, LG's annual sales grew 40% to over US\$64 billion.



It's nice to meet you.

It's Matt Ryan's job to listen.

As a Senior Designer at LG Electronics Design-Tech, Matt must intimately understand the different aesthetics of each European country. And then translate that understanding into intelligently designed TVs, VCRs, microwaves and other products. (Matt and his colleagues even helped design their company's Red Oak House headquarters.)

At LG, we listen a lot to our customers. We think that habit explains why we're leaders in advanced applications like thin-film transistor liquid crystal displays and high-definition TV.

We're active in many other business areas too, including DRAM memory chips, pharmaceuticals, and satellite communications.

And the same dedication and customer focus Matt Ryan and his fellow designers bring to their work, our 126,000 other employees bring to our other areas of expertise.

Now, how can we help you?



<http://www.lg.co.kr/>

IN BRIEF

• The International Monetary Fund launched an Internet site containing information on the economic statistics of 18 member countries. The new "special data dissemination standard" was drawn up as part of its response to the Mexico crisis. It is urging countries to improve their economic statistics and publish them online, in order to help prevent a repeat of the shock Mexican devaluation in December 1994. The IMF site details can be found at gopher.imf.org.

• Capital flows to emerging markets are likely to reach a record \$225bn this year, up from \$208bn in 1995, according to the Institute of International Finance in Washington. The IIF predicted that next year emerging economies would enjoy their strongest growth for a decade, with average growth of 5.5 per cent, up from an expected 4.9 per cent this year.

• Growth of Germany's key M3 monetary target increased to 8.7 per cent in August from 8.6 per cent in July, rather than the 8.5 per cent analysts had expected. However, the rise was due partly to an increase in deposits subscribing to the Deutsche Telekom privatisation issue in November. Economists said the figure had no implications for German interest rates.

• Sumitomo Corporation said that trading losses incurred by a rogue copper trader, Yasuo Hamanaka, had escalated to an estimated \$2.6bn (£1.7bn), from \$1.8bn. The rise was put down to the fall in copper prices since the scandal was uncovered three months ago. "We underestimated the costs of closing the positions when we reported the scandal," said Kenji Miyahara, president of Sumitomo.

• Glaxo Wellcome is reorganising its regional structure and board responsibilities. Under the new structure there will be five business regions: Asia Pacific, including Australasia; Europe, Middle East and Africa; Japan; Latin America; and North America. Chris Adam will head the Japan region; James Cochrane, executive director for commercial development and over-the-counter operations, will head Europe, Middle East and Africa; Robert Ingram will continue to head North America; Jorge Ramundo, president and managing director of Glaxo Wellcome Brasil, will head Latin America; and Ken Windle will head Asia-Pacific.

The flotation price for alkaline chemicals maker Brunner Mond set at 175p per share yesterday, valuing the company at £2m. The price is towards the lower end of the range indicated earlier this month of between 170p and 210p per share. Dealings are due to start on September 26.

Change to Schroders board

PETER RODGERS
Financial Editor

Schroders yesterday promoted a senior investment manager to its board and announced two senior appointments in its investment business.

The changes came hard on the heels of problems at Fleming and Morgan Grenfell that have forced the two rival merchant banks to overhaul their fund management operations.

But Schroders said that its own moves were long planned and were not a response to any difficulties. They were also internal promotions.

John Govett, chairman of Schroder Investment Management, is joining the group board while David Salisbury and Hugh Bolland, the joint chief executives of the asset management business, both take a step upwards. Mr Salisbury is to be chairman and Mr Bolland chief executive of Schroder Investment Management from 1 January.

Jean Solandt is retiring as chairman of the London banking subsidiary and group managing director of financial markets, after reaching 60. He will be replaced as banking chairman by David Challen. Andrew Sykes and Mark Hopkinson are to be joint group managing directors for financial markets.

business

Powerhouse blows fuse for RMC

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Shares in building materials groups have been on the rise recently in the fond belief that the German economy, the powerhouse of Europe, was somehow on the mend. The fact the Bonn government has just approved massive public spending cuts to whip Germany into shape for European monetary union obviously passed the market by. As, no doubt, did a German building industry federation survey showing investment in construction projects will fall this year for the first time since the Berlin Wall came down, with demand 8 per cent lower in real terms in the first half.

RMC delivered a timely reminder yesterday that things could get even worse before they get better. It is the biggest British company in Germany, the powerhouse of Europe, was somehow on the mend. The fact the Bonn government has just approved massive public spending cuts to whip Germany into shape for European monetary union obviously passed the market by. As, no doubt, did a German building industry federation survey showing investment in construction projects will fall this year for the first time since the Berlin Wall came down, with demand 8 per cent lower in real terms in the first half.

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from £314m, putting the shares, down 42p to 1,110.5p on the results, on a forward price/earnings ratio of almost 17 – or an expensive looking 13 per cent premium to the market. Expensive.

Geest cashes in on decadence

Now Geest has stopped slipping up on banana skins it is turning into rather an interesting company. Underlying growth of 69 per cent in profits from the continuing chilled foods operations showed what a fantastic niche it finds itself in and, having finally found itself a new executive chairman, it is well placed to add to those businesses by using the £28m that remains in the balance sheet since Pyffes took the banana business off its hands in January.

As Tesco said earlier in the week, sales of ready meals and other prepared foods are growing like Topsy as people get richer and feel lazier. It seems we no longer feel particularly guilty about paying through the nose for a bag of five

different and beautifully washed types of lettuce leaves. And while we sit at our desks, unable to find the time for a proper lunch, what does it matter if we pay more for an exotic pasta salad rather than another boring sandwich.

No surprise then that Geest's continuing operations notched up an increase in first-half profits from £3.6m to £6.1m. That is the figure to concentrate on, rather than the reported profit before exceptional of £7.3m, which compared with £9m last time when Geest was still in bananas. The numbers were further distorted by an exceptional profit of £15.4m, which represented the book profit on bananas offset by a restructuring charge for the whole produce business.

The good news for Geest is that ready meals are still bought by a relatively small cross-section of the population, even in this country which is miles ahead of probably every other country in the world in this decadent field. The potential for growth here and especially on the Continent, where Geest has set up an office in Brussels, is enormous. The trouble is that bright outlook is well reflected in Geest's share price,

which at 236.5p, up 4p yesterday, is handsomely above the depressed 107p at which it bottomed out last November shortly before the bananas disposal. On the basis of profits this year of £16.5m and £19m next time, the shares stand on a prospective price/earnings ratio of 15, falling to 13. That is quite a premium to the rest of the food manufacturing sector and the shares will probably pause for breath.

Insurer looks on sunny side of life

The past month or two have not been kind to Sun Life and Provincial, the insurer floated in July by its French parent, UAP.

The shares, which opened at 235p, dropped to 210p within days as the company succumbed to a hostile market and one or two would-be staggerers who dumped shares as soon as they realised quick returns were not in the offing. Since then, they have dragged themselves painfully back up to just below the opening price.

Yesterday's results are the first indication of what can be expected from Sun Life and Provincial, the figures were encouraging. Group pre-tax operating profits of £103m, reduced to £92.5m after interest, were taken positively by the market.

Sun Life, which specialises in the life and pensions industry, recorded a pre-tax increase of 14.4 per cent to £54.8m in the first half of this year on the back of a 20 per cent increase in premium income, similar to the average recorded by the industry trade body, the ABI. The company differs from its rivals, however, in placing much more emphasis on regular premiums than one-off contributions into its policies, which should protect its long-term income stream.

UAP Provincial, the general insurer arm, saw profits of £44.1m. It recorded underwriting profits of £3.8m, an impressive performance given the high cost of its direct insurance operation, Prospero.

Sun Life claims that, start-up costs aside, most of Prospero's accounts made an underwriting profit.

New Ireland Holdings, the second biggest insurer in the Republic, recorded record premium income figures.

There's no interim dividend but the proposed 10p final payout implies a yield at yesterday's 234p close, up 2.5p, of 5.3 per cent. In line with the industry, it makes the shares fairly priced.

BICC £170m cash call surprises City

PATRICK TOOHER

BICC, the construction to cables group, yesterday surprised the stock market by launching a £170m rights issue just a month after reporting a plunge into first-half losses.

Alan Jones, chief executive, said: "It will put the whole business on a much sounder footing. I have come under tremendous pressure from our managers on a number of investments we want to make. It is right to persevere with our programme."

BICC's two-for-11 cash call at 270p will help fund investment opportunities at home and abroad worth £215m.

The company plans to spend about £140m on higher-margin optical fibres, data communications cables and high-voltage cabling. Another £40m is earmarked for the Asia-Pacific region while £35m will go to fund

the Government's Private Finance Initiative scheme where its Belfour Beatty division is already involved in £186m of road projects.

Although the money raised will be used to fund expansion, Mr Jones said the immediate effect would be to reduce the level of gearing from 80 to 50 per cent. "I like to think I am a grower of business," he added. "But they have to achieve a 20 per cent return on assets and be companies that lead their markets. That said, I do see myself as being a bit tight with cash."

Since arriving last year from Westland, the helicopter manufacturer, Mr Jones has undertaken a strategic review of BICC. In the year to June BICC set aside a total of £107m for reorganisation, rationalisation and related asset write-down in its cables activities.

One of the actions taken by Mr Jones was to halve the

workforce at its German low-voltage cable subsidiary.

In August BICC reported a half-year loss of £2m against a £60m profit last year due to hefty restructuring costs. Analysts expressed concern then that as national utility and telecom companies were privatised, cosy relationships with cable suppliers would end.

They felt the tough pricing climate could continue for up to two years, leading players like BICC to concentrate on higher-margin products.

BICC also said it was likely to maintain the final dividend at 8.5p, taking the year's total to 12.5p.

The cash call has been underwritten by Schroders, Cazenove and the corporate finance division of Hoare Govett are joint brokers to the issue. Dealings in the new, all-paid shares will start on 20 September.

Comment, page 21

Victory franchise 'will not go to OFT'

PATRICK TOOHER

The Go-Ahead bus company yesterday expressed confidence that the award of its first rail franchise would not attract the attention of competition authorities.

Victory Railway, a consortium led by Go-Ahead but with a 35 per cent management and employee stake, has won the right to run Thames Trains, which operates services out of London Paddington to Oxford and Stratford-on-Avon. It also operates services between Gatwick airport and Reading.

Go-Ahead said the Thames Trains would complement its bus services between Oxford and London. But Ian Butcher, Go-Ahead's finance director, dismissed fears that the deal might run into problems with the Office of Fair Trading.

Remarkably on the OFT's decision earlier this year to refer

National Express' acquisition of the Midland Main Line franchise to the Monopolies and Mergers Commission, he said: "National Express ran a monopoly coach service on that route whereas the Oxford to London run is very competitive and we are the number two."

Shares in Go-Ahead leapt 50p to 367.5p, helped partly by news of a 39 per cent rise in pre-tax profits to £11.9m in the year to June.

Victory has plans to build a new station between Hayes and West Drayton called Heathrow North, which will serve the airport through a frequent bus link. Victory will receive an annual subsidy of £31.7m which will be phased out by 2004. In return Victory will provide £4.25m of working capital and a performance bond of the same amount. Go-Ahead is funding the deal via a placing of 2.28 million shares at 305p.

Walker lobbies for action on lottery

TOM STEVENSON
City Editor

Brent Walker yesterday made a further call on the Government to level the playing field on which his William Hill betting operation competes with the National Lottery. Despite recording a 38 per cent jump in profits from its bookmaking subsidiary, the cash-strapped former George Walker empire said it was extremely worried by a fall in turnover at William Hill.

Sir Brian Gosnell, chairman, said: "The decrease in betting duty in March, whilst welcome, has not had the desired effect of arresting the decline in turnover and we are continuing to lobby for further reduction, and additional deregulation."

Swamped by a £1.4bn debt mountain, and only kept trading on the say-so of its bankers led by Standard Chartered, Brent Walker is thought to be lining up buyers for its two main trading arms, William Hill, Britain's second-biggest bookmaker, and PubMaster, a chain of 1,600 mainly tenanted pubs.

In May, the value of William Hill was written down by £267.9m to £427.9m, in a move some saw as a prelude to a deal. Several companies, including Bass, Stanley Leisure and Rank have been linked with William Hill in recent months.

Plans to float PubMaster off are understood to have been delayed due to indifference in the City towards tenanted pubs and five financial buyers, including Prudential Ventures and Legal & General, are thought to be considering a bid. The value of the chain was also written down in the spring to £140m.

Despite the fall in turnover at William Hill in the six months to June and a poor start to the year, Sir Brian said an excellent run of results and lower operating costs had led to operating profits rising more than one-third from £22.2m to £30.8m on sales of £800.7m (£810m).

Profits were boosted during the period by initiatives such as "Lucky Choice", which allows bets to be placed on the numbers selected in the Irish national lottery.

PubMaster saw operating profits rise 11 per cent to £8.9m despite a reduction in the number of houses in the tenanted estate.

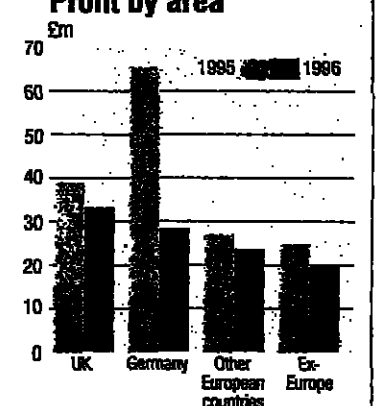
Sir Brian said the company continued to "churn and invest", selling underperforming pubs to release funds for investment.

RMC: AT A GLANCE

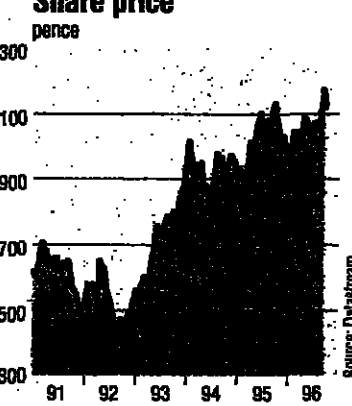
Market value: £2,760m, share price 1110.5p

Trading record	1993	1994	1995	1996	Half year 1996
Turnover (£bn)	3.17	3.68	4.12	2.23	2.11
Pre-tax profits (£m)	178	283	342	130.3	95.8
Earnings per share (pence)	37.5	55.5	76.1	31.1	22.2
Dividends per share (pence)	20.3	22.2	25.1	7.45	7.8

Profit by area



Share price



COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
Almase Group (I)	80.3m (152m)	14.1m (11.2m)	24.3p (21.5p)	8p (7.0p)
Albright & Wilson (I)	440m (427m)	32.0m (30.1m)	7.2p (7p)	2.25p (2.15p)
Alkerm & Battersby (I)	3.18m (2.61m)	0.19m (0.04m)	1.4p (0.2p)	- (I)
Anglo Irish (I)	127m (124m)	7.36m (4.23m)	7p (3.7p)	1p (0.1p)
Bentley Walker (I)	853m (862m)	-51.8m (-51.4m)	-1.3p (-1.3p)	nil (I)
Carnes (I)	192m (196m)	4.8m (6.71m)	1.1p (1.53p)	1.25p (1.25p)
Chloro Cards (I)	67.3m (50.9m)	-2.24m (-2.79m)	-8.15p (-10.66p)	1.25p (1.75p)
Danisco (I)	5.89m (3.64m)	0.08m (-3.1m)	0.30p (-36.7p)	0.1p (nil)
Delphic Packaging (I)	19.3m (16.0m)	2.53m (1.49m)	7.46p (4.33p)	2.5p (1.9p)
Eva Group (I)	32.2m (23.3m)	-3.57m (-1.77m)	-1.49p (-1.02p)	- (I)
Ford Earth (I)	3.53m (3.15m)	0.25m (0.21m)	3p (2.6p)	1.1p (1p)
Fortune Oil (I)	131m (26.7m)	1.7m (1.0m)	0.13p (0.09p)	- (I)
French Connection (I)	35.6m (33.3m)	1.68m (1.28m)	4p (3.5p)	0.5p (nil)
Harlow Hodge (I)	1.54m (1.54m)	0.21m (0.25m)	0.05p (0.11p)	- (I)
Geest (I)	3545m (355m)	22.7m (4.0m)	8.2p (1.3p)	3.7p (3.7p)
Go-Ahead Group (I)	135m (112m)	11.87m (8.52m)	24.8p (21.5p)	5.55p (I)
IBC Group (I)	- (I)	7.22m (6.25m)	14.8p (13.1p)	3.3p (3p)
Land Improvement (I)	20.8m (14.1m)	1.58m (0.26m)	3.79p (0.71p)	1.75p (1.75p)
Wm Morrison (I)	1.089m (1.000m)	55.2m (51.1m)	4.52p (4.30p)	0.30p (0.275p)
Pizzagroup (I)	44.3m (30.7m)	10.2m (6.84m)	13.5p (8.4p)	2.7p (2.2p)
Reid Brothers (I)	14.4m (12.7m)	4.38m (3.54m)	11.99p (10.65p)	4p (3.5p)
Reid Group (I)	102m (85.5m)	4.70m (3.15m)	5.9p (5p)	5.3p (I)
RMC Group (I)	2.11m (2.23m)	95.8m (130m)	22.2p (21.1p)	7.8p (I)
Servicair (I)	69.7m (57.7m)	0.93m (1.45m)	1.8p (2.6p)	1.65p (I)
Sherrard Group (I)	81.4m (85.5m)	3.75m (7.24m)	1.9p (3.6p)	1.3p (1.3p)
Spandee (I)	47.5m (42.7m)	4.45m (4.0m)	6.6p (7.7p)	1.1p (1p)
Steel Barri James (I)	20.6m (22.2m)	1.45m (3.82m)	1.74p (5.15p)	0.75p (1.5p)
Sun Life & Provincial (I)	- (I)	92.5m (I)	11.13p (I)	- (I)
United Carriers (I)	67.3m (54.7m)	0.08m (-1.41m)	1.9p (-5.6p)	1.6p (11.5p)
Wiggins Group (I)	6.58m (6.40m)	1.01m (0.71m)	0.2p (0.14p)	nil (I)
Adams International (I)	6.50m (5.82m)	0.39m (0.71m)	3.6p (1.8p)	- (I)
Auto Property (I)	16.2m (11.8m)	5.07m (3.55m)	3.3p (2.5p)	0.85p (0.8p)
Automotive Precision (I)	12.8m (11.1m)	2.72m (2.81m)	4.5p (4.6p)	1.7p (1.7p)
BSEI Group (I)	13.8m (11.9m)	2.82m (2.43m)	5.5p (6.3p)	2.53p (2.3p)
Cassell (I)	10.2m (8.81m)	-0.54m (-0.63m)	-9.1p (9p)	1.5p (I)
S. Jerome & Sons (I)	15.6m (14.5m)	0.61m (0.47m)	4.7p (4.1p)	1p (0.75p)
Atterdon (I)	15.3m (7.07m)	1.68m (1.30m)	4.9p (3.5p)	0.7p (0.6p)
Servotrac (I)	15.8m (10.8m)	1.41m (0.73m)	8.4p (3.3p)	2.7p (2.3p)
Treads Group (I)	12.7m (11.4m)	1.51m (1.67m)	10.5p (11.6p)	1.5p (nil)
Universal Ceramic Mould (I)	19.8m (17.6m)	1.67m (1.45m)	4.5p (4.2p)	1.6p (1.5p)

(I) - First (I) - Interim (I) - Nine months (I) Figures on pro forma basis

Pitman tipped to be new Lloyds TSB chairman

JILL TREANOR
Banking Correspondent

Sir Brian Pitman, long-standing chief executive of Lloyds TSB, is expected to be promoted to chairman at the bank's board meeting today, replacing Sir Robin Ibb.

Both men are due for retirement – Sir Brian is 65 in December and Sir Robin is already

70 – but Sir Brian is expected to be persuaded to stay on as chairman. Several candidates are being lined up to fill Sir Brian's shoes, with his two deputies leading the race.

Peter Ellwood, former head of the TSB, is regarded as hardworking and an ideal candidate to take over the role, as is fellow deputy Alan Moore.

Few outside candidates are

being considered for the top position at the banking group which was formed last year out of the merger between Lloyds Bank and TSB.

Sir Brian, who became chief executive of Lloyds Bank in 1983, is seen as the driving force behind the bank. Some banking analysts said, however, that while his chairmanship would ensure continuity in the

management and strategy of the bank, it could hinder any attempt by the new chief executive to exert authority.

If Sir Brian becomes chairman, he will have to work closely with the new chief executive to oversee the ongoing integration of Lloyds and TSB.

The bank's intentions for life insurance, in which it is represented by TSB Life and Lloyds

Abbey Life, puzzles analysts. However, there has been speculation in the stock market recently that Lloyds will buy up the remaining 37 per cent stake in Lloyds Abbey Life to bolster its TSB Life operation.

The bank is expected to keep its mortgage lending arm, Cheltenham & Gloucester, the building society it bought last year, as a separate entity.

Lord Mayor has a penchant for key-holes

BUSINESS & PEOPLE

The post of Lord Mayor of London has traditionally attracted a long grey line of accountants and brokers but the present incumbent, Alderman John Chalfrey, is much more interesting.

Mr Chalfrey is the first practising surgeon to wear the City's ermine robes. In a long and distinguished career, spent mostly at Bart's, in the City, Mr Chalfrey has developed an expertise in non-invasive procedures, or "key-hole surgery".

He also specialises in treating stomach cancers. Next week the Lord Mayor will open a £2m endoscopy unit at the London Clinic in Harley Street. The clinic claims it will be the best-equipped private unit for the early detection of illness, particularly cancer, in the world.

This is right up Mr Chalfrey's street. In 1975 he helped establish the first fi-

bre-optic endoscopy day unit in the independent health care sector. The opening of the new unit chimes in with his chosen theme for the mayoral year – "Good health to the City and the Nation."

A City spokesman comments: "He's trying to explain to City fat cats that a healthy workforce will be a more effective workforce, with less absenteeism. He's also a useful man to have around if you're not feeling very well..."

City spin doctors Financial Dynamics clinched a new earnings deal with their French owners, BDDP two days ago. Then the following day BDDP, which owns 51 per cent of FD, sold itself to UK-based advertising agency GGT (the old Gold Green-laces Trot).

This faces FD's chairman

Tony Knox with the ghastly prospect of renaming his firm FD GGT BDDP.

"I never understood what BDDP stood for in the first place," says Mr Knox.

A most revolting little object has just landed on my desk from Chez Gerard. The Carnivores' Club, which is dedicated to the eating of meat in these BSE-highlighted times, has sent me a miniature bottle with a model, "Sheep in formaldehyde," in the style of the much-hyped artist Damien Hirst.

The preserved sheep is accompanied by an invitation to the tenth gathering of the Club at Butchers' Hall in the City in October. I may go if my stomach has recovered from the shock by then.

Michael Hicks, head of UK sales trading at Société

Générale Strauss Turnbull Securities, is attending this year's Monster Raving Loony Party conference next week. He's a member himself, and is seeking new recruits for Screaming Lord Sutch's hordes.

No doubt Mr Hicks will find the City's wine vaults a fertile hunting ground.

If you're looking for someone to show you how to grow your money, Michael Parry, chairman of Dwyfor Council in Wales, could show the Square Mile a thing or two. He is also chairman of the Pwllheli Partnership, which represents a small sailing club in the tiny resort of Pwllheli. He has managed an initial input of £50,000 in development money into a project worth nearly £5m.

The initial £50,000 enabled the club to raise a national £1.2m locally to develop the marina. This in turn enabled them to persuade



John Chalfrey: 'Good health to City and nation'

Welsh Secretary William Hague to dole out a matching £1.2m from European funds for the redevelopment.

The agreed £2.4m regeneration then becomes the platform for an application this week for a further back-to-back £2.4m from the Millennium Fund to expand the project.

Mr Parry could clearly command a telephone number salary in the City.

John Willcock

We go to great lengths to accommodate you.
Starting with fully extendable seats.

مكتبة من الأدب

sport

Britain set to give No 1 Court perfect Cup send-off

Tennis

MIKE ROWBOTTOM

Britain's last Davis Cup match, away to Ghana, took place within a national stadium featuring the following inscription: "To carry out a duty either for reward or to avoid punishment is the attitude of a lesser being. But to feel obliged to honour a duty in response to your conscience - that inner moral conviction - is the mark of a man."

Nice as moral conviction is, Britain's men - who won that match 5-0 - will doubtless settle for a Ghanaian reputation as lesser beings as long as they earn the reward of a further victory in the Davis Cup match which they start against Egypt today.

On this occasion it is the setting, rather than any inscription, which is likely to prove inspirational - the weekend's matches will be the last competitive action on Wimbledon's No 1 court before it is demolished to make way for a new players' and media centre.

Victory will earn promotion to the Euro-African first division, one step away from the world group of the top 16 nations from which Britain has been absent since 1992.

Tim Henman, currently ranked No 33 in the world, returns to the fray after his 10-day lay-off following the groin injury he sustained in the fourth round of the US Open.

The 22-year-old from Oxford, who only picked up a racket again last Sunday, described himself as "thoroughly rested".

However, as a precaution, he has not been selected in the doubles alongside Neil Broad, with whom he won the Olympic silver medal. Britain's team captain, David Lloyd, said yesterday that at this stage he did not want to risk Henman sustaining a further injury through playing on all three days.

Mark Petchey, who won with Broad in Ghana, retains his place, although the teams have until an hour before each match to finalise their selections.

In today's opening singles matches, Henman faces an opponent ranked 489 places below him - 23-year-old Amir Ghoneim. Greg Rusedski will start the proceedings against Egypt's top man, Tamer El Sawy, a US-based player whose world ranking is a modest 174.

"We consider it an honour to be playing at Wimbledon," said El Sawy diplomatically. "Obviously on paper it is going to be very tough for us."

It is not going to be that easy on grass either. But the Egyptians, whose most famous player, Ismail El Shafel, featured in the world's top 10 in the 1970s, have been models of politeness about being required to play on an unfamiliar surface.

Britain's team captain, David Lloyd, said yesterday: "It is very important that we win and win well. Another 5-0 win following the victory at Ghana a couple of months ago will send a warning flashing across the world that British tennis is on track towards the top again."

The Americans, one feels, will hardly be quaking in their boots. But victory would mark a significant step forwards.

Both teams have had the opportunity to practise this week on the No 1 court, which will be full to its seven and a half thousand capacity today and on Sunday.

Australian demands put RFU on spot

Rugby Union

DAVID LLEWELYN

Australia's insistence on turning their European tour into a Grand Slam has put even greater pressure on the Rugby Football Union to sort out their differences with the English clubs.

The threatened boycott by the players of next Wednesday's training session at Bisham Abbey is not helping the cause, Jack Rowell, to prepare his squad for the Test against Italy on 23 November. But if the RFU give in to the entreaties of the Australian Rugby Union, who have offered two alternative dates for an extra Test - on 2 or 16 November - then Rowell will need every spare moment. So desperate are the Australians for the future that they are reported to have threatened to cancel the Test against Wales in December unless England are added to the tour.

The ARU chief executive, John O'Neill, admitted there were financial considerations behind the push to play England. "We're not ashamed to say there are financial objectives. I just think these people need a big job. We all face enormous challenges in the professional era."

There was a glimmer of hope for them with Bob Weighill, secretary of the Four Home Unions Tour committee, saying yesterday: "Every effort is being made to resolve the matter of whether an England v Australia fixture can be slotted into the tour programme. A number of options are under consideration."

English Professional Rugby Union Clubs came under fire from Scotland yesterday. The Scottish Rugby Union has called a meeting of its First and Second Division clubs for 9 October to discuss whether its players and clubs should join Epruc.

In a letter signed by its president, Fred McLeod, the SRU warns of the "fatal attraction" in joining Epruc's breakaway, describing the move as one which "cares only for the bottom line of English club rugby, and most certainly cares nothing for Scottish rugby". The SRU's concern was heightened by a letter from Mike Smith, Epruc director and Saracens' chief executive, who does not believe the Scottish, Welsh and Irish clubs will be "box office".

The SRU insisted in their letter that they believed their differences with the Scottish clubs can be resolved, adding: "[The SRU] cannot, and will not, be held to ransom by English clubs and we have an overriding responsibility to warn clubs in Scotland that the inevitable consequence of accepting Epruc's offer would be... the ruination of club rugby in Scotland."

Europeans to rely on experience

Andy Farrell at St Pierre, Chepstow, looks ahead to this weekend's Solheim Cup

The opening ceremony of the fourth Solheim Cup match went off with the usual pomp and circumstance. Bagpipers were played, a male-voice choir sang (we are in Wales, just), and the Red Arrows flew past under the low-level cloud, almost decapitating a Sky cameraman and a couple of photographers on a tower behind the 16th hole.

Everything, it seems, has been thought about. Two years ago, at the Greenbrier, the Scottish flag was replaced with that of Nova Scotia, but Kathryn Marshall, one of three European rookies, raised the genuine St Andrews article yesterday. There is even a new bridge across the Severn. With 15,000 spectators expected each day, it would not have done for the old bridge to have been closed because of high winds.

A good job, too. A chill breeze of some strength has been making the European team feel at home. Not that the Americans have arrived in T-shirts and shorts. "It is a misconception that American professionals never play golf in bad weather," the American captain, Judy Rankin, said. Nevertheless, the last time they faced such conditions, at the LPGA Championship in May,

Laura Davies walked away with the title.

Davies, the world No 1, is joined by Annika Sorenstam and Lotte Neumann, the Nos 2 and 3, in a European team that is hoping to make the most of home support. In the three previous matches, the away side has yet to win and it was Europe's victory at Dalmahoy four years ago that has quickly established the fixture as a competitive encounter.

It is the same format as the Ryder Cup, but there can be no cynical use of the "envelope rule" if a player is injured and has to sit out the singles on Sunday, earning half a point. There is no envelope rule, so no show, no point. This may concern Brandie Burton, who severely sprained her right ankle during a fall on Tuesday but has been picked to continue her unbeaten partnership with Dottie Pepper from The Greenbrier. They face a re-match from the four-somes two years ago when they played Neumann and Helen Alfredsson in the bottom match of the morning session today.

Mickey Walker has trusted in established pairings for the first series of foursomes. "It is a form of the game so rarely played by professionals that you need to



Marie-Laure de Lorenzi getting into the swing yesterday for the start of the Solheim Cup at St Pierre today. Photograph: Steve Munday/Allsport

go with experience," she said. The combinations of Sorenstam and Nilsmark, Neumann and Alfredsson, and Davies and Alison Nicholas were all predetermined, despite talk from Davies that she might be switching. "Laura knew she was always going to play with Alison," Walker confirmed. "They are unbeaten in foursomes. There is no reason to split them. Laura just likes a bit of fun."

Marie-Laure de Lorenzi, playing for the first time since 1990, and Dale Reid form the fourth pairing, meaning all three rookies, Marshall, Joanne Morley and Lisa Hackney, sit out the morning with Irish Johnson. But those four will come into contention for the afternoon fourballs. "The only problem with my fourball pairings is that I have so many options," Walker said. "It is a

wonderful problem to have." Changes are likely given the tiring nature of playing 36 holes a day in windy conditions. Though Davies is playing her ninth tournament in a row, Walker has no concerns about playing her both times. "If Laura does not play in the fourballs, she would probably be playing fourballs, followed by tees, followed by tees, followed by tees in the morning and 18 in the afternoon is probably an easy day for her."

Walker is in her fourth match as captain, but while Rankin is a newcomer, she correctly guessed that Davies would be out in the top two matches. The strength of the United States line-up is such that Betsy King and Pat Bradley, two LPGA Hall of Famers, are missing. Burton goes out last to give her a chance to warm up, and

though another player is on standby in case her ankle flares up overnight, Rankin is convinced she will not be needed. "There is not even a 10 per cent chance that Brandie will not play," Rankin said.

SOLHEIM CUP (Europe v United States, St Pierre, Chepstow) Open for opening team-somes today (Europe names first): 0800 A Sorenstam and C Nilsmark v R Robinson and M McDermott; 0815 L Davies and A Nicholas v P Sheehan and R Jones; 0830 M L De Lorenzi and D Reid v B Burton and V Storer; 0845 H Alfredsson and L Neumann v D Pepper and B Burton.

HOW THE SOLHEIM CUP TEAMS LINE UP

EUROPE

HELEN ALFREDSSON (Swe) Age 31. Former Paris model, tops European Order of Merit this season. Engaged to a former Mexican World Cup footballer, she is soon to enter hospital to set a bone in her bottom which she broke when falling off a table. Cup record: 3 caps. P9 W4 H1 L4. World No 22.

LAURA DAVIES (Eng) 32. Currently second on money lists in both America and Europe. May be first woman player to earn £1m in a season. As inspirational as Seve Ballesteros, but, it is hoped, will play better. Cup record: 3 caps. P9 W6 L3. World No 1.

MARIE-LAURE DE LORENZI (Fr) 35. Topped qualifying table to regain place after six years. The only mother in Europe's team. Lives in Barcelona with daughter Laura. Declined invitation to be travelling reserve last time because of swelling problems. Cup record: 1 cap. P3 L3. World No 13.

LISA HACKNEY (Eng) 28. First European win, after five-year wait, came at St Pierre in Welsh Open in May. Attended University of Florida and her coach-cum-boyfriend works in America. Laura Davies rates her highly and could partner her. Cup record: Debut. World ranking: 23.

TRISH JOHNSON (Eng) 30

An ever-present in the team, but wants to improve her record of one win in nine games. Won twice in America in 1993, but next success did not come until European Open two weeks ago. Cup record: 3 caps. P9 W1 H1 L7. World No 28.

KATHRYN MARSHALL (Sco) 29. Given wild card by captain Mickey Walker after impressive run of form. Watched from outside the ropes last time as travelling reserve and last season won on the American circuit. As Kathryn Irwin she played in 1990 Curtis Cup. Cup record: Debut. World No 62.

JOANNE MORLEY (Eng) 29. Finished seventh in final qualifying event to take last automatic spot from Lora Fairclough. The former Woodworth series got turned pro at 26 after starting in the 1992 Curtis Cup win. She top-10 finishes this year. Cup record: Debut. World No 45.

LISELOTTE NEUMANN (Swe) 30. Former winner of US and British Women's Opens. Has won over \$2m (£1.35m) there and eight titles, three this season. Her first was by a record 11-shot margin. Best putter on US Tour. Cup record: 3 caps. P9 W4 H1 L4. World No 3.

ALISON NICHOLAS (Eng) 34

Tiny figure at only 5ft, her maiden pro win was the 1987 British Open. Twice a winner in America last year and ran away with Irish Open in July. Has won four of six games with Laura Davies so far. Cup record: 3 caps. P9 W5 L4. World No 11.

GAELIR NILSMARK (Swe) 29. Held winning putt in 1992. Used to hold pilot's licence and sold her Harley Davidson, to set up base in America. Has won \$281,000 (£120,000) this year. Cup record: 2 caps. W2 L2. World No 53.

DALE REID (Sco) 37. Mickey Walker's final choice for a wild card because of cup experience. Had an indifferent season until selection, but in last fortnight has finished fifth and sixth. Has won 21 times in Europe and has beaten Patty Sheehan and Dottie Pepper in cup singles. Cup record: 3 caps. P9 W4 H1 L4. World No 76.

ANNIKA SORENSTAM (Swe) 25. US Women's Open winner for last two years. Winner of US and European Order of Merits last season - a unique feat (male or female) which Laura Davies is trying to emulate this year. Retained US Open by six shots in June. Cup record: 1 cap. P3 W1 L2. World No 2.

UNITED STATES

PAT BRADLEY Age 46. Oldest player in the match. Winner of over \$5m (£3.35m) and six majors in 22-year career. Like Ben Crenshaw, she has overcome Graves' thyroid disease. Cup record: 2 caps. P9 W2 H1 L3. World No 21.

BRANDIE BURTON 26. Took just two years to earn her first \$1m, but has not had a victory since 1993. Back problems this season meant she needed a wild card and on arrival at St Pierre suffered twisted ankle. Partnered Dottie Pepper last time. Cup record: 2 caps. P6 W3 L2. World No 22.

BETH DANIEL 39. Another \$5m woman. Best season 1990 - seven wins, 12 top 10 finishes, won a record \$863,000 (£375,000) and played a record nine successive rounds in the SCs. Has not won this season and did not qualify automatically. Best cup record of all the players. Cup record: 3 caps. P6 W6 L2. World No 15.

JANE GEDDIS 36. No win since 1994, but joint 3rd in the US Women's Open in June with Bradley and Burton and joint 4th in British Open last month. Maiden pro victory was 1986 US Open. Cup record: Debut. World No 9.

ROSE JONES 36

Played in the inaugural cup match in 1990, partnering Patty Sheehan to two wins, but then lost singles to Laura Davies. Most accurate driver on US Tour this season and had seventh tour win in May. Hobbies include woodwork. Cup record: 3 caps. P9 W4 H1 L4. World No 18.

BETSY KING 41. Did not win on the US Tour for seven years, but lost first woman to break \$5m barrier. Twice US Open champion and also British Open champion in 1985. Only 37th on the American money list this season. Still to win a cup singles. Cup record: 3 caps. P9 W4 H1 L4. World No 27.

MELISSA MALLON 33. US Open champion in 1981 and second leading money-winner that season with over \$630,000 (£420,000). Runner-up to Sorenstam in 1995 US Open. Lost to Nilsmark in match which gave Europe victory in 1992. But won two out of three points last time. Cup record: 2 caps. P6 W4 L2. World No 7.

MICHELLE MCGANN 26. Instantly recognisable by colourful hats. Winner three times in America this year and second-longest driver on the US Tour - behind Laura Davies. Has had more birdies (282) than anyone else. First reserve two years ago. Cup record: Debut. World No 6.

DOTIE PEPPER 31

Played as Dottie Mochrie in first three matches with an intensity which singled her out. Involved in controversy last time for cheating when Laura Davies missed a putt. Cheered since, has also changed hair from red to blonde. Cup record: 3 caps. P9 W5 H1 L3. World No 5.

KELLY ROBERTSON 28. Leads Sorenstam in "greens in regulation" in US this year and stands seventh on the money list with nearly \$500,000 (£200,000). Won McDonald's LPGA title - one of the four majors - last season. Cup record: 2 caps. P9 W2 L2. World No 8.

PATTY SHEEHAN 39. Did double of US and British Opens in 1992 and is another \$5m player. After 35th US Tour win in Nabisco Dinah Shore in March, she dived in a lake to celebrate. Formidable opponent, yet has lost all three singles in cup. Cup record: 3 caps. P9 W3 H1 L5. World No 14.

VAL SKINNER 35. With rest of family owns course in Nebraska, a land-locked state which has made her an Admiral of the Navy. Started playing at age of four and won first title three years later. Keen skier, surfer, painter and photographer. Cup record: Debut. World No 10.

FANTASY FOOTBALL

First league tables and winner of Month 1 will be announced on Wednesday 25 and Sunday 29 September.

PHILIPS
Let's make things better

THE INDEPENDENT ON SUNDAY

Eubank back with higher objectives

Boxing

Chris Eubank has set an audacious double target for his comeback after a year out of the ring.

The 30-year-old Brighton fighter insisted yesterday a move up to the light-heavyweight division would bring another world championship belt. And he believes the "political barriers" have been removed for a fight with the American Roy Jones, one of the finest pound-for-pound punchers in the game.

Eubank, who retired after a second World Boxing Organisation super-middleweight title defeat by Steve Collins, will make his return against Luis Barrera, from Buenos Aires, on 19 October in Cairo.

"My trainer, Ronnie Davies, has been saying for four years that I should move up," Eubank said. "I've always been apprehensive even though I struggled to make 12 stone. Now I'm a wiser person."

"I have no doubt I will make the light-heavyweight division a glamorous one because people follow characters. There are always risks. But as long as I get the chance, one of the world titles will be mine before long."

Super League clubs form Euro-bond

Rugby League

DAVE HADFIELD

They all studiously avoided the B-word - except to deny that this was a breakaway - but the game's leading clubs yesterday followed the example of football's Premiership by taking their destiny into their own hands.

The launch of Rugby League (Europe) Ltd marked the 12 Super League clubs taking a greater measure of control over their activities and aspirations than they could during the first season of summer rugby.

Philip Surl and Milla Clayton-Bailey held the joint lead at the conclusion of yesterday's first day of dressage at the Blenheim Vauxhall Monterey International Horse Trials. Jennifer Johnson, who is on her first trip to England from the United States, is just 0.6pt behind the two Britons in third.

Surl, who runs a breaking and schooling yard in Northamptonshire, advertised the effectiveness of his training methods with an excellent test on the chestnut mare, Coxley Kontiki. Being only half thoroughbred, Kontiki is not the fastest horse around, but compensates for any deficiency in speed by being a trier. "She needs to be fit than most," Surl said, "and I'm confident that I've got her as fit as is humanly possible."

Clayton-Bailey and her mount, the eight-year-old James Bigglesworth, are both competing at this level for the first time. The horse's name was inspired by the Biggles books, as a result of the way he got himself into the air when he first jumped as a three-year-old.

Johnson, who is here on a grant from the US equestrian team, had valuable help yesterday from Mark Phillips, who trains the Americans. She was shortlisted for this year's Olympic Games on Tiger One, on whom she is lying third.

Tiger One has already competed in two three-star events in the States, but Johnson believes that tomorrow's cross-country course will prove a tougher test. Johnson is not, however, in the least dismayed by the severity of the course. Instead, she seems to relish it. "In the US, every rider tells you that you have to go to England and when they get here, they don't want to go home," she said. "I concur with that."

Christopher Bartle, who was sixth when riding for the British dressage team at the 1984 Olympics, is now lying fourth on the same horse at Bramham in June, when he had a clear cross-country round, whereas Surl had a fall at the same venue with Kontiki, when she tripped up a step out of water.

Results, Digest, page 27

Mullally applies finishing polish

Cricket

DEREK PRINGLE
reports from Leicester
Middlesex 190
Leicestershire 36-1

Bad weather and Leicester-shire have not always been cosy bedfellows this season, and rain has already deprived them of a certain way against Hampshire. Yesterday, when their closest rivals, Surrey, were washed out at The Oval, the wet weather held off long enough for them to dismiss Middlesex for 190. That earned them four bowling points and thrust them to the brink of a second County Championship despite a day curtailed by bad light that prevented play after tea.

As they have done all season, Leicestershire remained focused on the game in front of them. At 36 for 1 there is still much to do, but with the remaining outcomes being reduced elsewhere by the session, there was little else to distract them apart from the announcement of a six-figure sponsorship deal with the newly privatised rail company Midland Mainline. For a club who have been without a sponsor all season, the deal is further evidence that the title is surely destined for Grace Road.

In any case, they will not want to win by default and, undeterred by the loss of the toss, they set about dismantling Middlesex's batting with a combination of aggressive bowling and smart catching. The former was spearheaded by Alan Mullally, whose 4 for 53 from 18 overs proved a staunch effort considering the blustery conditions.

Predictably, considering the vital nature of this match, the day began with some controversy: Mike Gatting, after a long consultation with the grim trio of Angus Fraser, Keith Brown and Mark Ramprakash, decided to bat on what looked an emerald carpet of a pitch. With three spinners in their side, there was little else they could do.

In fact, the surface played fairly true, with only the occasional ball bouncing and seaming: the first of which - in David Millns' opening over - brought out some early aggression: an eye-ball-to-eye-ball encounter between the bowler and batsman coming after a

concerted appeal for caught behind had been turned down. If Millns had been wronged, the injustice was soon righted, when Paul Weekes flashed an edge to Phil Simmons at second slip, who promptly palmed it on to Vince Wells, who managed to grasp it before it hit the turf.

It was the first of three catches for the opening bat, Wells, who also weighed in with two wickets. It is a flexibility that has been the hallmark of the home team's cricket and one which has helped keep personnel changes to a minimum - a rare phenomenon at a club more famous for departures than arrivals.

Good bowling was also at the root of Middlesex's demise, though Mark Ramprakash showed what was possible by scoring a 127-ball 71. His innings owed its scope to a dash of fortune, a watchful defence and an occasional lousy blow.

Dropped on 26 by the wicketkeeper, Paul Nixon, as he tried to intercept an edge heading towards first slip's left calf, Ramprakash kept a long, long vigil on Middlesex's behalf. But while he cautiously applied himself, Mullally began to wreak havoc with a combination of well-directed bouncers and a sizzling full length that proved too much for the visitors' early order.

Peter Wellings, a second-team player from Staffordshire, dragged one on after twice being struck on the helmet, while Gatting, after being similarly peppered, was caught behind, tentatively pushing at a wide one. Owais Shah, the 17-year-old soon to be wintering in Australia with England 'A', followed him soon after, a decision that looked harsh considering the angle of Mullally's attack meant the ball would have pitched outside leg stump.

Only an injury to Simmons - he twisted his ankle while bowling - caused Leicestershire any concern, though with Middlesex reeling at 76 for 6, the thought of the pitch inspector climbing into his helicopter must have passed through James Whitaker's mind. Both fears were quickly allayed however: a swift return by Simmons and some brutal cudgelling by Ramprakash, who blasted two soaring sixes over midwicket, easing Leicestershire's discomfort as Surrey kicked their heels.

Reports, scoreboard, page 27

GOLF: Europe's women take on the Americans in Solheim Cup
FOOTBALL: Kenny Dalglish finds that it's good to talk



Mark Muland, of Wales, chips on to the 17th green yesterday during the first round of the World Invitational at Loch Lomond. Photograph: David Ashdown

Faldo and Weiskopf go their separate ways

Golf

TIM GLOVER
reports from Loch Lomond

Tom Weiskopf had several things going for him yesterday. Not only did he design the course on which the World Invitational is being played but he had the inspirational company of Nick Faldo. While Faldo duly appeared on the leaderboard, Big Tom was preparing to part company from the tournament following an 82.

Faldo had paid Weiskopf the ultimate compliment, describing Loch Lomond as the finest course in Britain by some distance. Faldo played it almost

perfectly in the first round for a 68, three under par, and there was also a certain symmetry about Weiskopf's performance. He went to the turn in 41 and came back in 41.

With Faldo singing the praises of the bonnie, bonnie banks it was difficult for anybody else, least of all Weiskopf, to point out that although Loch Lomond is a marvellous spot for laying down a tartan rug and nibbling at the shortbread while drinking in the scenery, it is no picnic for the golfers.

The vast majority were over par but at least the 53-year-old Weiskopf can point to his age in mitigation. That and the fact that he spent almost as much time

explaining to Faldo how he attempted to merge heaven and earth as he did in playing his game. "He built the course by hand and eye. That is why every contour looks so nice," Faldo said.

Faldo had three birdies on the front nine and one on the back, picking up a bogey at the 14th where he flew the green with a wedge shot from 103 yards. "There are places you can't go and that adds an element of pressure to the hole," Faldo said. "It is a fabulous lay-out in fabulous condition. We need somebody like Lyle to set the standard."

Faldo was not referring to Sandy Lyle but to the American Lyle Anderson, the owner and developer of Loch Lomond.

Sandy was enjoying one of his better rounds of the season when he came to grief on the 13th, Galloway's Hill, a par five of 560 yards. Lyle was standing at level par when he took eight and finished at four over.

That was an almost minor crash compared to the experience suffered by Mark James, who was level par after 12 holes and dropped nine strokes over the next three en route to an 83. At the 15th he found a greenside bunker but could not find his ball which was buried in the sand. He waited around in the bunker with a club before locating the ball by hand. After taking a drop, he thinned his next shot across the green and finally scored what he

thought was a quadruple-bogey eight. Before signing his card his caddy reminded James, chairman of the European Tour's tournament committee, he was not allowed to "build sandcastles" in a bunker and the eight became 10 with a two-stroke penalty for testing the surface.

Weiskopf's nemesis was a triple-bogey at the 12th. Having missed a putt from five feet he then missed the tap-in, probably on account of describing to Faldo how he had borrowed from the design of Pinehurst, North Carolina in planning the green at the 12th. Still, Weiskopf has had a worse experience at Loch Lomond. During its construction Weiskopf went out to the 14th

hole early one morning and walked straight into a pest bog. "That stuff was like quicksand and I was in there up to my chest," Weiskopf recalled. "It sucked off my boots, my trousers and my socks. I found a tree root to grab hold of and it took me about two hours to get clear."

James Spence held the first-round lead at four under despite a double-bogey six at the 12th. "The course is perfect," Spence said. "We will be pressing for better facilities like this in the future and we are going to learn from our mistakes. You cannot fault the course although I'm sure someone will." He obviously had not spoken to Mark James. Scores, Digest, page 27

Bassett's rebuff leaves Lee 'devastated'

Football

ADAM SZRETER

Francis Lee, the Manchester City chairman, was yesterday doing his best to recover from the body blow of failing to entice yet another manager to Maine Road.

Crystal Palace's Dave Bassett, who had apparently accepted a

job that would have doubled his wages overnight, rang Lee at 7am yesterday morning to tell him he had had a change of heart and would be staying at Selhurst Park.

Lee insisted he was so certain Bassett wanted the job he had agreed to his request to buy a player yesterday morning as a part of rebuilding the team's promotion challenge.

"I'm devastated," Lee said. "Dave even discussed players with me last night and we were going to set the ball rolling by buying one today at his request. He gave me a definite 'yes' last night that he wanted the job and he told me to go out and buy this morning. I'd better make sure we have not gone out and bought the player."

"Dave told me that he was surprised how much money we were going to give him to spend on new players and it was a tremendous challenge and a great package for him. I am just shocked that he has turned it down."

City may now turn their attentions to Palace's director of football, Steve Coppell, who was favourite to replace Bassett as manager had he accepted the City job.

Bassett said: "I had to think long and hard about the decision, but I've made the decision which is right for Dave Bassett."

"It's flattering to be offered the job and I was very tempted because Manchester City are a huge club. But I believe I've made the correct decision to stay at Crystal Palace because we've got a young team on the verge of doing something and I'd like to fulfil my work there."

Oliver Bierhoff has asked Blackburn Rovers for £32,000 a week before he agrees to a £4m move from Udinese in Italy to Ewood Park. Bierhoff, who scored both German goals in the Euro 96 final victory over the Czech Republic, has priced himself highly as he knows that a rival Italian club, Parma, are also interested.

Ian Rush, who declined to sit on the bench during last month's 6-0 win over San Marino after being told that he would not be in the starting line-up, has failed to win a recall to the Wales side that plays the Netherlands in a World Cup qualifier in Cardiff on 5 October.

The manager, Bobby Gould, said: "I have seen Ian play twice recently and I won't say his international career is over. He is working very hard, but Dean Saunders and Mark Hughes were outstanding against San Marino and John Hartson has done very well. I thought to myself, 'why change?'"

"Frankly, the whole Rush business has been going on for a year and I am getting bored with it."

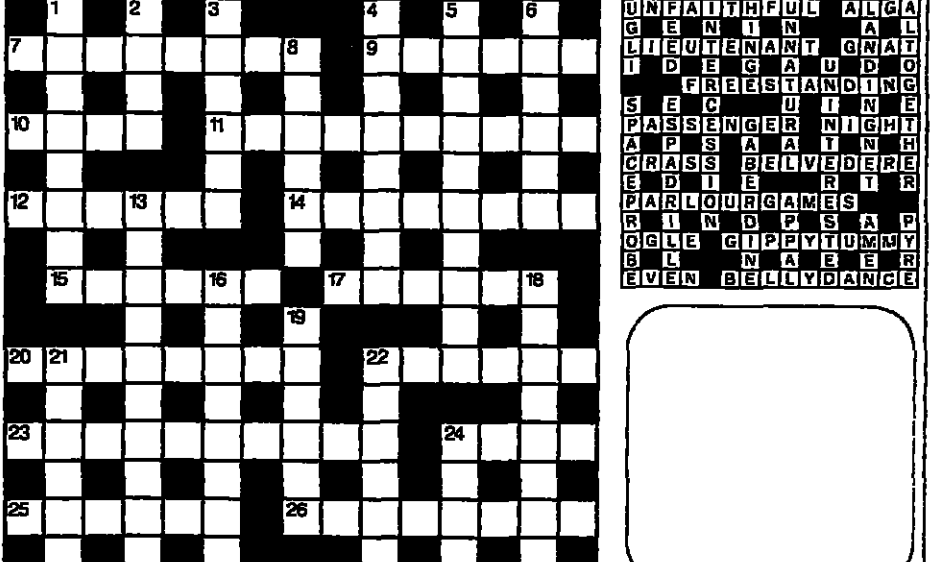
Gould has recalled the Birmingham City pair, Andy Legg and Jason Bowen, and Everton's Gary Speed seems the most likely to replace the suspended Ryan Giggs.

Chelsea yesterday signed Norway's first choice international goalkeeper Forde Grodas on loan from Lillestrom until the end of the year. Rudi Garcia's side are in need of cover because Dmitri Khazin has a knee injury.

WALES SQUAD (by Netherlands, World Cup qualifying Group Seven, Cardiff, 5 October) Southall (Everton), Stewart (Wrexham), M. Bowen (Wrexham), Jenkins (Cardiff), Coleman (Blackburn), Symons (Man City), Melville (Sunderland), Bromwich (Sheff Wed), Penberthy (Sheff Wed), Lyle (Birmingham), Horne (Birmingham), Jones (Cardiff), Saunders (Notm Forest), Hughes (Cardiff), Speed (Everton), G. Brown (Cardiff), Taylor (Sheff Wed), Hartson (Cardiff), J. Bowen (Birmingham), Bruce (Cardiff), Phillips (Wrexham).

THE INDEPENDENT CROSSWORD

No 3097, Friday 20 September By Phil Thursday's solution



- ACROSS**
- 7 Reference books are thus rewritten by one (8)
 - 9 Decadence I encountered in the City of Love? (6)
 - 10 Field where you can get a run each (4)
 - 11 Unhappy man finding a mate? (10)
 - 13 Protest from bowler seeking low decision? (6)
 - 14 Dog beside railway is mine (8)
 - 15 Poet's written nothing in hour - excellent! (6)
 - 17 Size of sheet thrown over a cot without hesitation (6)
 - 20 Final item of hardware? (8)
 - 22 Easily carried away, showing ecstasy during outrageous end to party (6)
 - 23 Work against the Bar initially attending court (10)
 - 24 Note part of the body on hand? (4)
 - 25 Bowl in a spell, trapping English repeatedly (6)
 - 26 Mode of speech displayed by fool around the French college (8)
- DOWN**
- 1 Comprehensive albeit approximate (8)
 - 2 A lot of land - as in Australia? (Not far off!) (4)
 - 3 Divers enjoy the heat and become less damp (6)
 - 4 Call "Time!", possibly making a ringing sound (8)
 - 5 Manage to show point on graph? (2-8)
 - 6 Row produced by emperor - wanting nothing for meal (6)
 - 8 Scarab hee!e, say, favoured by religious group (6)
 - 13 Church about to get funds for weddings? (10)
 - 16 Travelling by water? Accountant's gone in, unfortunately (8)
 - 18 Cannon, perhaps, or ball, deployed round centre of lines (8)
 - 19 Chemical found in chalk? A little (6)
 - 21 Former party upheld American book (6)
 - 22 Up-to-the-minute humour was striking (4-2)
 - 24 River exhibiting zero energy (4)

Hill heightens the tensions

Motor Racing
DERICK ALLSOP
reports from Estoril

At last, a hint of edge, even hostility, to enliven the world championship contest. Jacques Villeneuve, and now Damon Hill, are talking dirty.

In Hill's case it is out of character, and probably all part of the mind games, to keep his Williams-Renault team-mate guessing, possibly wary. When he arrived here for Sunday's potentially decisive Portuguese Grand Prix, the Englishman delivered what amounted to a threat of raw aggression.

The championship leader's untimely declaration came in response to reports that Villeneuve had accused him of forcing the Canadian's car wide at the start of the Italian Grand Prix, a fortnight ago, the first public sign of discord between them.

I'm at liberty to drive in a way that may not be the way some people expect me to drive. So everything is at my disposal, everything is possible.

"I am in the lead I will defend vigorously. If I am ahead of Jacques at the end of the race I'll finish it off, and even if I am behind I could. I'm the current championship leader and I'm determined to win it."

It was put to Hill that he would surely not resort to deliberately driving Villeneuve off the road the way some previous champions saw fit to complete their missions. "Why not?" he replied.

Villeneuve's cocky manner had alienated members of the grand prix fraternity before he denounced the Brazilian, Pedro Diniz, as "one of those idiot drivers who should not be in Formula One."

Luca Di Montezemolo, president of Ferrari, took it upon himself to suggest "Villeneuve would not even be in Formula One if his name was Johnson."

Martin Brundle, an elder statesman of the drivers, said: "It is fair to say Damon would be the more popular winner."

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